

11/21/77 [2]

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THE PRESIDENT HAS SEEN.

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THE WHITE HOUSE
WASHINGTON

MINUTES OF THE CABINET MEETING

Monday, November 21, 1977

The thirty-fourth meeting of the Cabinet was called to order by the President at 9:04 a.m., Monday, November 21, 1977. All Cabinet members were present except Mr. Califano, who was represented by HEW Under Secretary Hale Champion; Mr. Vance, represented by Deputy Secretary of State Warren Christopher; and Ambassador Young, represented by Deputy Ambassador to the UN James Leonard. Other persons present were:

Joe Aragon	Dick Moe
Peter Bourne	Frank Press
Zbigniew Brzezinski	Jay Solomon
Doug Costle	Claudia Townsend
Stu Eizenstat	Stansfield Turner
Jane Frank	Charles Warren
Richard Harden	Jack Watson
Robert Lipshutz	

The President asked for comments from Cabinet members, beginning with the Secretary of Defense:

-- Dr. Brown said that he spent over an hour meeting last week with the Shah of Iran. They discussed the longer-term (15-30 year) perspective on defense issues, as well as arms purchases from the United States. The President said Iran has purchased an average of \$2.7 billion per year in military items from the United States since 1973. Dr. Brown said that Iranian purchases last year were \$5 billion. He added that the figures are being worked out now for this year's purchases.

-- Dr. Brown visited last week with Mr. Yano, head of the Komeito Political Party in Japan. Although he twice told Mr. Yano that the United States would not be making further reductions in its military presence in the Pacific, a subsequent statement to the press by Mr. Yano's translator incorrectly stated the opposite. The Japanese have failed to explain or clarify the statement, although the United States Department of Defense has done so.

-- The United States is discussing a memorandum of understanding with France on the development and procurement of arms. Dr. Brown described the views of French Minister of Defense Bourges on the subjects of conventional and nuclear arms spending and on steps toward arms reduction. Dr. Brown said that the French military has improved in recent years, and that French defense spending as a percentage of GNP has increased.

-- The Defense Department is sending an AWACS (Airborne Warning and Control Systems) aircraft to Bonn for a demonstration for officials of the Federal Republic of Germany. The demonstration will include a link to a reception facility at NATO Headquarters in Brussels.

1. Ms. Kreps said that today is the last day for comments on the Arab boycott regulations being developed by the Commerce Department pursuant to the Export Administration Act. Extensive comments have been received from both domestic and foreign sources, all of which, in addition to other documents connected with the development of the regulations, have been requested by Congressman Ben Rosenthal. After consulting with the Attorney General, the Commerce Department has decided not to honor Mr. Rosenthal's request, but rather to provide him with summaries of comments made by foreign officials, foreign governments, and others, and to give Congressman Rosenthal access to the originals on the condition that he will not copy them. Ms. Kreps said Mr. Rosenthal's House Subcommittee may seek to obtain the documents by subpoena. The Attorney General explained that the request could be declined on grounds of separation of powers or the invocation of Executive Privilege. Messrs. Adams, Bell, Brown, Schlesinger and Strauss discussed the advantages of negotiating an agreement with the House Committee -- which all felt was possible -- in lieu of claiming Executive Privilege. Mr. Adams pointed out that pressure for the documents will diminish as soon as the regulations are issued.

-- Mr. Blumenthal noted that the Treasury Department must issue a second set of regulations pursuant to the Ribicoff amendment to Section 999 of the Internal Revenue Code on the subject of the Arab boycott. He has taken steps to coordinate publication of the Treasury regulations with publication of those to be issued by the Commerce Department. The President suggested that issuance of both sets of regulations be expedited; they are now due to be published on January 18, 1978.

-- Ms. Kreps reiterated her suggestion for a briefing of the Cabinet on the economy by Charlie Schultze. The President noted that Mr. Schultze is in Europe this week, and that the briefing could take place next week.

-- Ms. Kreps said that she is concerned about a misreading of the GNP figures for the third quarter of 1977. Although the figures increased, the increase reflects heavier exports in anticipation of the dock strike and the building up of inventories, rather than an increase in consumer spending. She said that those who anticipate a higher fourth quarter GNP may be disappointed.

2. Mr. Adams said that DoT will decide the Metro funding issue this week. Representatives of the Department of Energy and the Domestic Policy staff are involved in the decision.

-- DoT is taking a hard line in our bilateral negotiations with Japan on air routes. The Japanese want to move U.S. airlines to a new airport and charge U.S. planes higher fees than those charged to Japanese planes; we have made it clear that we think such an arrangement is unacceptable. Mr. Adams is continuing to consult STR and Treasury on the issue.

-- The air controllers are likely to commence an "informational picket" today. Mr. Adams said that we shall stand firm. He indicated that the issues of concern to the air controllers will be addressed by the forthcoming Civil Service reforms. Mr. Marshall concurred in Mr. Adams' position.

-- The Attorney General noted that an Executive Order issued by President Nixon requires Federal agencies to advise their employees of their right to join a union. He is reviewing the Executive Order Number 11491 and considering whether it should be revised.

3. Mr. McIntyre said that proposed revisions to Circular A-76 concerning contracting-out by the government will be published in the Federal Register today by OMB. OMB has coordinated the revisions with Federal agencies, labor unions, industry groups and congressional interests.

-- OMB is communicating the decisions on departmental and agency budget requests to the Cabinet members. Since time is limited, he urged Cabinet Secretaries to call him first to try to work out differences so that as few decisions as possible would have to be appealed to the President.

-- The President noted that he has been spending four to five hours a week with OMB on agency requests and an additional four to five hours preparing for the briefings. He underscored Mr. McIntyre's request that the Cabinet Secretaries try to resolve as many differences as possible with OMB.

4. Ambassador Strauss said that Dick Rivers of his staff leaves today for Tokyo with a negotiations team. Mr. Strauss hopes that they will make substantial progress in trade discussions with Japan in the next few weeks. He commended the excellent cooperation from other departments, especially Commerce and the CIA, in working on Japanese trade issues. He added that the negotiations will be difficult and controversial. The President noted that Japan's actions have been disappointing compared with promises they made at the International Economic Summit last spring.

5. Dr. Schlesinger gave several speeches last week around the country on the energy legislation.

-- The Energy Conferences are proceeding very slowly. Conferees on the tax issue are still waiting for decisions by the conferees on natural gas and vice versa. The optimists say that there will be a bill by the 15th or 20th of December, and the pessimists predict that the legislation will go over until next year. Dr. Schlesinger predicted that Christmas Eve would be approximately when the legislation would emerge.

-- The President asked about follow-up on his meeting with Congressmen Ashley and Ullman. Dr. Schlesinger said that consultations with them are continuing.

6. Ms. Harris said that she had nothing to report.

7. Mr. Bergland said that his speech last week in Rome at the 19th Food and Agricultural Organization (FAO) Biennial Session on under- and mal-nutrition was well received. In addition, he held twenty-five bilateral meetings with his foreign counterparts on agricultural problems. Most of the ministers with whom he met were from the developing world. Mr. Bergland said that one of the most difficult problems was getting the producing countries to accept modern technology, even in its simplest forms. Mr. Bergland also said that he was frequently asked whether, in light of the U.S. restrictions on wheat set-asides, there will be enough wheat to go around next year. He was able to reassure other countries that there is a record-setting wheat crop in the U.S. this year.

-- The President asked Mr. Bergland to check into the drought disaster designation process for counties and determine how and when those designations can be revoked. Mr. Bergland said that he would work with Jack Watson and his staff to do so.

8. Mr. Blumenthal said that the EPG met on Saturday with representatives of Labor, Commerce, STR and White House Staff to discuss Tony Soloman's proposed steel plan. There was general agreement on the contents of the plan, and the proposal should be ready to be submitted to the President this week.

-- Mr. Blumenthal also met this weekend with the Vice President and others to discuss the tax return proposals. Further briefing papers on those proposals will be submitted to the President by Wednesday.

-- Mr. Blumenthal said that Congressman Ullman and Senator Long contacted him concerning the tax provisions in the energy legislation. He and Dr. Schlesinger have worked out an arrangement whereby they can jointly steer the energy tax provisions through the Congress and assure their coordination with the overall tax reform package.

-- Mr. Blumenthal gave six speeches last week in various parts of the country to approximately five to six thousand representatives of the business and financial communities. He said that the general mood of those to whom he spoke was not good but certainly not hopeless. There is a widespread feeling of uncertainty which translates into a low level of confidence. The lack of confidence relates specifically to the uncertain fate of the energy program -- especially its tax aspects -- and a feeling that certain aspects of the proposal simply will not work. Other concerns which are frequently expressed are the employer taxes in the social security legislation and the future of Federal Reserve Board Chairman Arthur Burns. Mr. Blumenthal said that there seems to be a good deal of satisfaction with the Humphrey-Hawkins compromise. Mr. Blumenthal said that he thinks it would be a good idea for the President to deliver a fireside chat or other major address on the economy.

-- He will be in New York City today and tomorrow to meet with Mayor-Elect Koch, Governor Carey and various financial advisers to the State and City. He said that a very difficult series of decisions are coming up concerning federal financial aid to New York City. He plans to tell New York officials that they cannot count on federal aid

forever, and that they must develop a plan for achieving financial self-sufficiency. Ms. Harris expressed concern that cuts in federal funds would be tantamount to requiring further cuts in essential city services. Mr. Blumenthal responded that New York received \$1 billion more in the first year of the Carter Administration than in the last year of the Ford Administration, and that continuing to provide loans without forcing the city to take more responsibility for its future will create a precedent for other cities that are in financial trouble.

-- The Combined Federal Campaign is nearing its goal. The Executive Office of the President has contributed 43 percent more than last year. Several other departments, including Agriculture, DoD, HUD and Treasury have met their goals. Five departments, HEW, Labor, State, Justice and Interior, are \$534,000 short of their aggregate goals.

-- Ms. Kreps said that she gets the same "feedback" from the business community as Mr. Blumenthal, but indicated further that she thinks we are "right on the margin of turning things around". She recommended that the President address the Business Council meeting in Washington in mid-December. The President said that he was considering it.

9. The Attorney General outlined the Justice Department's attempts to institute merit selection of United States attorneys.

-- He addressed the Southern Newspapers Publishers Association meeting in Boca Raton, Florida last week. He described the mood of conservative southern publishers about the Administration as "good," and commended a speech outlining the President's energy program delivered to the same audience by Mr. Watson.

-- He will submit to the President today a memorandum reorganizing the LEAA.

10. Mr. Marshall said that the longshoremen's strike is winding down and should be settled this week.

-- The iron ore strike could also be settled this week, but, if not, may continue for a long while.

-- The coal negotiations are "on dead center," and there is very little likelihood that they can be resolved without a strike.

11. Ambassador Leonard said that Ambassador Young will return from Europe this evening, and that he will become involved almost immediately in discussions concerning the stalemated South African negotiations.

12. Dr. Brzezinski said that the House and Senate Intelligence Committees were briefed last week by Messrs. Press, Turner and Charles Duncan concerning our program to prevent Soviet interception of communications traffic in the United States. The press reaction to the Administration's proposal has been favorable.

-- NSC is also reviewing intelligence priorities in consultation with various consumers of intelligence information.

-- The President has approved an NSC memorandum on strategic and tactical initiatives with the USSR on medium-range weapons and other items not part of the SALT negotiations.

-- Dr. Brzezinski said that he is persuaded that President Sadat regards his bilateral meeting with Begin as an effort to promote a reconvening of the Geneva Conference. President Sadat told President Carter last week in a telephone conversation that he would not have gone to Israel had the United States and others not persisted in their efforts over the last ten months to obtain a comprehensive settlement of the Middle East problem.

-- In meetings Dr. Brzezinski has had with newspaper editors, Peter and Margaret Jay (who have just returned from a trip around the country) and others, he perceives an ambivalence about the underlying theme of U.S. foreign policies. Dr. Brzezinski suggested that the reason may be that the fear of communism is no longer the glue that holds our foreign policy together. He suggested that the Administration's human rights theme, which evokes an emotional bond in people all over the world, could become such a theme. He noted that the Vice President's speech over the weekend was an important reaffirmation of the Administration's commitment to human rights.

-- The U.S. Ambassadors to Israel and Egypt are expected to report to us on the Sadat/Begin conversations today or tomorrow.

13. Mr. Champion said that Mr. Califano will return from his European trip on Wednesday.

14. Mr. Andrus said that the Park Police were unfairly criticized in the press during the Shah's recent visit.

-- In response to a question from the President, he reported that 22 sales of Outer Continental Shelf lands have been scheduled over the next five years, and that some have already taken place. The schedule will be rigorously followed. He noted that the Outer Continental Shelf (OCS) amendments are tied up in the House Rules Committee and that he is attempting to persuade the Committee to get the legislation out.

15. Mr. Christopher said that Mr. Vance is in Argentina today seeking to persuade that country's government to ratify the Treaty of Tlatelolco. He will also raise some specific human rights issues, some of them involving assertedly anti-Semitic actions by that country.

-- Mr. Vance will then go to Brazilia to discuss the President's forthcoming trip; the Memorandum of Understanding between the U.S. and Brazil; nuclear reprocessing; and human rights.

He will also visit Caracas to urge that country to support a freeze on oil prices at the December OPEC meeting and to discuss North/South relations.

-- Mr. Christopher said that a small number of Ugandan pilots are being trained by private U.S. firms. The State Department has contacted each of those firms to urge them not to continue their arrangement with the Ugandans. The State Department is also discussing with the Federal Aviation Administration whether steps can be taken not to certify the pilots. Visas may also be revoked for other Ugandan pilots who seek to come into the U.S. for pilot training.

-- Ms. Harris urged that the United States take a more condemnatory attitude toward Uganda. She noted the astronomical numbers of blacks who have been murdered and said that she hopes that the U.S. Government will do everything in its power to isolate the Ugandan government. Mr. Christopher responded that we have no diplomatic relations with Uganda. The State Department has urged the fewer than 300 Americans who live in Uganda to leave. The President said that we have been too reticent in our public statements about the repressive actions of the Ugandan government, and that we should strengthen our efforts to condemn the practices of that government. Mr. Christopher said that he would follow up.

-- The President reiterated that the U.S. is condemning the build-up of Cuban troops in Africa -- an effort which he said was "almost continent-wide." He plans to ask the Vice President, Ambassador Young and Mr. Vance to make additional statements on the subject.

16. The President said that the United States has done everything possible in recent days to discourage international criticism of President Sadat's trip to Israel. Although the outcome of the trip is difficult to predict, the President believes that all parties are acting in good faith, and that the visit will help to end the stalemate in reconvening the Geneva talks. He said that it would be hard to break down long-standing suspicions and insecurities on all sides but that both President Sadat and Prime Minister Begin were very careful to omit inflammatory remarks in their respective statements. Moreover, neither one ever suggested that a bilateral settlement would be reached on the basis of their discussions, a possibility that has been a matter of great concern to the Syrians. The United States sent word to Soviet President Brezhnev urging moderation in Soviet comments on the visit, apparently with some effect. The President added that the U.S. will persist in its efforts to bring about peace in the Middle East, but he stressed that peace will not come easily and that the negotiation efforts will be tedious.

-- He said that the United States is attempting to cooperate with the Soviets on a number of fronts: the Middle East; SALT, Comprehensive Test Ban; and arms limitations in the Indian Ocean.

-- He noted that his consultations with the Joint Chiefs of Staff have been more regular and extensive than in past Administrations and that relations between him and the Chiefs are "harmonious."

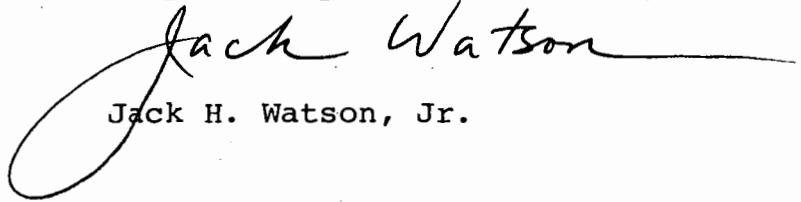
-- He said that the U.S. is engaged in "quiet diplomacy" to hold down the price of oil, and that negotiations are ongoing with the various OPEC countries on that issue. Our efforts to date to get other consumer nations to cooperate with us in this endeavor have been generally unsuccessful. He said that we may be able to enlist the cooperation of the OPEC countries in developing alternative energy sources.

-- He hopes that the House/Senate conferees on the energy legislation will return after the Thanksgiving holiday recess resolved to come to grips with the more controversial items in the Senate and House energy bills.

-- The President said that he feels quite confident about the agenda the Administration is pursuing. He said that our work will continue to be difficult and that tenacity will be required to get our programs through. He is pleased with the harmony that prevails among the Cabinet; between the Cabinet and him; and between the Cabinet and White House staff.

The meeting was adjourned by the President at 10:58 a.m.

Respectfully submitted,

A handwritten signature in cursive script that reads "Jack Watson". The signature is written in dark ink and is positioned above the printed name.

Jack H. Watson, Jr.

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Cabinet

12-21-77

THE WHITE HOUSE
WASHINGTON

Brown Visit E. Shah 22 aug
Visit E. Yano
Visit E. Bourges (Gaulist)
French military increasing

— Arab boycott - exec privilege
Kwgs Meet E. Sabloski, Rosenthal?
GNP - 33 → 42 - not important

METRO

Brock JAL talks - hard line
Air controllers - pickets

— A76 - contracting out
Jim Budget appeals - minimize

Bob Tokyo cable - modest progress

— Jim Rate reform → Nat Geo / CoET

Bob See in Rome re food
— Disaster loans

Cabinet Meeting

11/21/77

THE WHITE HOUSE
WASHINGTON

AG > Evans & Safire
> LEAA reorg
> Mex/US prisoners
Anti-trust Commission
Agency responsiveness - Com > Cong
> OCS leasing rate
Energy - anti-trust AG & DOE
Asst Sec Army - Civil Works
* Andy - Cuba/Su/Angola speech
— Soc Sec statement
— oil price
Sadat visit
SALT

THE WHITE HOUSE
WASHINGTON

Mike Steel plan → me to lay
NYC sit. poor #13 deficit/yr
Tax/airport mfg
CFC = HEW - Labor - State - Justice
Int all short (\$530T short)
Bus/fin mood - not good

Bell 70/94 Δ id
News publishers mood - good
LEAA reorg

Ray ICA strike - good
Iron ore this week or ?
Coal - dead center

Zb's Telecom policy briefings
Intel priorities
Sadat / Begin mfg
E/W confrontation → broaden

THE WHITE HOUSE
WASHINGTON

Cecil Park police - burn rap
OCS leaving
Argen visit by G7
Brazil - Nuclear agreement
Venez. hold price on oil
Uganda - pilots = tighter up

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11/21/77

THE WHITE HOUSE
WASHINGTON

Last nite → 12:30

Good results. Open phone

No more war - practical
aim to achieve war

No more war -

J.C. achievement

Unified delegation - no Sadat
interest

Tired - 3 interviews

Chancellor

Trip - request. Visit Egypt/Israel

From Begin 11-21-77

~ 3:15 pm

THE WHITE HOUSE
WASHINGTON

November 21, 1977

Midge Costanza
Stu Eizenstat
Hamilton Jordan
Bob Lipshutz
Frank Moore
Jack Watson
Jody Powell
Hugh Carter

Re: Cabinet Summaries

The attached were returned in the
President's outbox today and are forwarded
to you for your personal information.

Rick Hutcheson

Attachment:

Treasury, HEW, UN, Commerce,
Justice, CEA, Labor, EPA, HUD,
Transportation, STR, GSA,
Agriculture, Interior, CEQ

EYES ONLY -- CONFIDENTIAL ATTACHMENT ?

THE WHITE HOUSE
WASHINGTON

yes
ang

	FOR STAFFING
	FOR INFORMATION
	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

ACTION	FYI	
		MONDALE
		COSTANZA
		EIZENSTAT
		JORDAN
		LIPSHUTZ
		MOORE
		POWELL
		WATSON
		LANCE
		SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER

Comments due to
Carp/Huron within
48 hours; due to
Staff Secretary
next day

	ARAGON
	BOURNE
	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	HARDEN
	HUTCHESON
	JAGODA
	KING

	KRAFT
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN



THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE
WASHINGTON, D. C. 20201

November 18, 1977

C

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Weekly Report on HEW Activities

- Social Security Financing. Discussions on the Hill of the Administration's positions on the major differences between the House and Senate revisions are progressing satisfactorily, although both Senator Long and Representative Ullman have deferred any specific discussions with them until the week of November 28th. There continues to be some general concern about reaction to the overall tax impact, and an expressed hope, especially by Senator Nelson, that we not issue statements which might set off a new public debate, making agreement on a Conference report more difficult.

It now appears likely that Rep. Ketcham will seek to have the House conferees formally instructed to stand by his amendment eliminating the retirement earnings test entirely. This means that we probably will have one more floor fight in the House before the Conference begins. The outcome is not easily predictable, especially if other elements are added to the move to instruct.

- Health Planning Guidelines. Both we and members of Congress are receiving very heavy critical mail on the Health Planning Guidelines, which we published for a 60-day comment period in September. The basic concern is that the guidelines will not address rural or other special problems. We will be careful to be responsive to this concern. It appears, however, that some of the correspondence may be part of a larger effort, especially on the part of the hospitals, to use this situation to discredit government involvement in health cost problems generally.

- Paperwork Reduction. In another effort to ease the paperwork burden on grant recipients, the Office of Education has published all its grant application deadlines in the Federal Register on a single date and in a comprehensive fashion. This initiative will allow grantees to plan their application process and thereby to prepare better applications. Twenty-five thousand copies of the comprehensive statement have been distributed, and the response from recipients has been very enthusiastic.
- Energy. Department officials continue to discuss the need for a comprehensive energy bill in their speeches. Nonetheless, press attention to sub-Cabinet comments on energy problems seems to be lagging; this may result from merely inserting energy references in other remarks. I will direct HEW officials to begin scheduling speeches devoted solely to energy during the next few weeks.

Hale Champion was recently in Seattle and urged the principal regional official to convene a meeting of local hospitals to consider ways of saving energy and cutting costs. The hospitals had refused to hold such a meeting last year, but now are willing to follow HEW's lead.

- European Trip. I will provide you with a complete report upon my return. I have two salient, preliminary impressions. Other nations adopting national health insurance essentially bought health systems as they were when they were inexpensive, and we obviously cannot afford to do the same. Secondly, aging populations in both England and Germany are dramatically changing both the nature and expense of health care, and we will have to face this problem head on as we go forward with a proposal.

for Hale Champion
Joseph A. Califano, Jr.

LIMITED OFFICIAL USE

TO: President Carter
THROUGH: Rick Hutcheson
FROM: USUN - Ambassador Young
SUBJECT: U.S. Mission to the United Nations Activities, November 10-16

November 18, 1977

1. AMB. YOUNG'S VISIT TO ROME AND STOCKHOLM

November 14, Amb. Young delivered the annual McDougall lecture at the Food and Agricultural Organization. His speech outlined the concept of volunteer action on food through national, regional and international food corps. Preliminary reaction has been quite positive. At the invitation of the Swedish Government, Amb. Young will be in Stockholm through November 20 to meet with government officials and private individuals and groups.

2. RHODESIA

Meetings with Nigerian Foreign Minister Garba and Prem Chand (Waldheim's Representative) indicate that the Nigerians fear a collapse of UK-US settlement effort. In addition, there is continuing concern about nationalist disunity and Smith's obduracy. Amb. Young also met with Rev. Sithole (Zanu) who expressed distrust of Carver and strongly urged that Carver share his power during a transitional period with black leaders. Amb. Young will stop in London on his way back from Stockholm to discuss the Rhodesian situation with David Owen.

3. NAMIBIA

The Contact Group is preparing to leave for Tanzania and other frontline states. There has been some disagreement within the group concerning who and to what degree additional African leaders besides Nyerere should be briefed on the Western proposal.

4. GUAM: CONSENSUS ACHIEVED IN FOURTH COMMITTEE

In last minute negotiations on November 14, Vietnam and other cosponsors of the unfavorable resolution backed down and accepted a formula based on the report of the Decolonization Committee. The Australians are hopeful that this will bode well for future UN discussions on Guam.

5. HUMAN RIGHTS

A possible compromise is being negotiated on the question of missing persons in Cyprus. It would set up a group, independent of the UN, to investigate particular cases. No final agreement, however, has been reached.

The proposal on the creation of the post of a Commissioner for Human Rights and the Iranian draft aimed at underlining the priority of group (implicitly versus individual) human rights are still being discussed. The outcome is still unpredictable.

6. APARTHEID DEBATE IN PLENARY

As of the moment, there are 14 draft resolutions being considered. We will clearly have to vote no on those with which we have serious policy differences (e.g., a cut-off on investment or on nuclear cooperation). We hope to be able to vote significantly more positively than last year on the remainder.

7. AMB. YOUNG'S OTHER MEETINGS: Arthur Sulzberger (New York Times) 11/11.

PRESS: VOA's "Press Conference USA" 11/11; Serge Schmemmann, AP 11/11.

ENERGY STATEMENTS: None

THE SECRETARY OF COMMERCE
WASHINGTON, D.C. 20230

November 18, 1977

"FYI"

REPORT TO THE PRESIDENT

This Week

Document Request by Congressman Rosenthal. As previously reported, Congressman Rosenthal's Subcommittee has requested various documents relating to the new anti-boycott regulations. After having consulted closely with your staff (Lipshutz, Eizenstat), Justice, State, and Defense, we propose to furnish summaries (but not originals) of documents that are themselves communications from foreign governments or that summarize meetings with foreign officials, deleting names and countries. Following the precedent set by DOD in responding to Congressman Stratton's request for documents relating to the withdrawal of troops from Korea, we will make the original documents available to Congressman Rosenthal, as Subcommittee Chairman, to inspect personally on a no-copying/no-notetaking basis. Our judgment is that there is a reasonable likelihood that the Subcommittee will reject this proposal and vote to subpoena the documents. Should a subpoena be issued, our grounds for declining to comply would be executive privilege, which you must personally invoke.

Economic Indicators for October. Economic data released this week suggest that the consumer sector of the economy regained some momentum in October. The Federal pay raise helped boost personal income to a hearty 1.3 percent increase, double the average for the past six months; gains in retail sales and housing starts also were encouraging. While prospects for more balanced growth in the fourth quarter are good, available evidence still indicates that tax reduction will be needed next year if growth and employment targets are to be achieved.

U.S./USSR Trade and Economic Council Meeting. During this meeting, I stressed the need and importance of clarifying U.S. policies relating to joint U.S./USSR projects for developing Soviet energy resources and other raw materials. I believe much can be accomplished in this regard and will be taking appropriate steps to pursue this further.

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Improving Liaison with State and Local Officials. In line with your desires in this area, we have established a special office in the Department to serve as a central point of access and coordination for State and local officials. Under the direction of Anne Wexler, this Office will greatly enhance our capabilities for consulting with and assisting State and local governments.

Task Force on Women Business Owners. Our first meeting of the Interagency Task Force on Women Business Owners was held this week and went very well (open to the public, it attracted an overflow crowd). The Task Force will focus on ways to improve data collection on women entrepreneurs, barriers that discourage women ownership of business, and the impact of Federal programs and practices on women entrepreneurship.

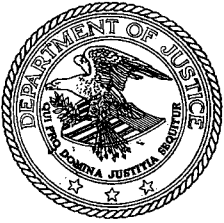
Conference on Balanced National Growth and Economic Development. I am pleased with the progress being made in preparing for this conference. Governor Rockefeller, as Chairman of our Advisory Committee, has shown great interest in how the conference will involve non-Federal sector representatives in long-range policy discussions.

Campaigning in West Virginia. At the request of Congressman John Slack, Chairman of our House Appropriations Subcommittee, I had the pleasure of participating in last night's campaign kickoff dinner in Wheeling for Congressman Bob Molloy. In my remarks, I was able to urge support for the Administration's energy program and discuss our concerns relevant to this heavy coal and steel area.

Support for Energy Proposals. The need for energy conservation in our economy and full support for your energy proposals were also highlighted this week on four occasions in remarks made by other key Departmental officials. We will be expanding our efforts in this critical area.

Productivity and Quality of Working Life. Secretary Marshall and I are completing a review of the mission and programs of the National Center for Productivity and Quality of Working Life. We believe increased Administration emphasis is needed in this area and will be forwarding specific recommendations to you shortly.


Juanita M. Kreps



Office of the Attorney General
Washington, D. C. 20530

November 18, 1977

Re: Principal Activities of the Department of Justice
for the Week of November 14 through 18

1. Meetings and Events

The Attorney General spoke on Wednesday to the Southern Association of Newspaper Publishers on "The Press and I." He met Friday morning with columnist Roland Evans for an interview and was to have dinner Friday night with Mr. and Mrs. William Safire.

Also on Friday, Judge Bell held an open meeting with the employees of the Department of Justice in the Great Hall (the second such meeting since he became Attorney General). After brief remarks, he answered individual questions on a variety of topics for over an hour.

2. Legislative Report

Institutionalized Persons Bill -- On November 15, the Senate Judiciary Subcommittee on the Constitution favorably reported to the full Judiciary Committee the Department-supported bill which authorizes the Attorney General to sue and to intervene in suits brought against state and local institutions which systemically deprive their residents of fundamental rights secured by the Constitution and the laws of the United States.

Meeting with Congressman Dingell -- Judge Bell met Thursday morning with Congressman Dingell to discuss the question of independent litigating capacity of the Department of Energy.

3. United States Attorneys Conference

Eighty-six of the 94 United States Attorneys this week attended the Department's Conference for U.S. Attorneys. This included 66 persons who have been named by this Administration. In addition, four women U.S. Attorneys (one not yet nominated) attended, representing the second through fifth women ever to be appointed U.S. Attorneys. The Attorney General met with them on several occasions, including an address where he asked each of them to submit two-year plans for their offices on how they will achieve their missions and goals consistent with Department policy.

4. Bombing Reports

A total of 987 bombing incidents in the United States and Puerto Rico was reported to the FBI during the first nine months of 1977. As a result of these incidents, 17 persons were killed, 122 persons were injured, and more than \$6,641,000 of property damage occurred. By comparison, 1,207 incidents occurred in the first nine months of 1976, resulting in the deaths of 44 persons, injuries to 180 others, with approximately \$10,256,000 of property damage.

5. LEAA Regional Offices

As of October 1, 1977, all ten regional offices of the Law Enforcement Assistance Administration have been closed, and more than 200 positions have been eliminated at an annual savings estimated by the Office of Management and Budget to exceed \$6 million. In 1977 and 78, LEAA was budgeted for 900 positions, and the LEAA end-of-year ceiling for 1978 is 678 positions. As of October 18, 1977, LEAA had 633 employees, which is 45 positions under the end-of-year ceiling for FY 1978. A report on LEAA will be forwarded to the President in the very near future.

6. Transfer of Mexican Prisoners

The President signed the enabling legislation for the Mexican-American prisoner exchange treaty October 28. The United States plans to return the approximately 280 American prisoners from Mexico during the period of December 15-20, 1977. Initially, they will be sent to the Federal Metropolitan Correctional Center in San Diego for processing following hearings before U.S. Magistrates in Mexico. It appears that 45 will be released immediately on the basis of good time credits. The remainder will receive parole hearings. Those not paroled will be transferred to Federal institutions close to their homes. Contrary to reports in the press, only 12 of those eligible decided to remain in Mexico rather than return to this country. Of the 12, several had short terms remaining to serve. The remainder have criminal charges pending in the United States which they are attempting to avoid. The Mexican government has indicated a desire to return their prisoners at the same time. Of the 400 Mexican citizens in Federal prisons who qualify for transfer, 81 have indicated an interest in returning. It is anticipated that fewer than 50 will be returned after they are interviewed by Mexican authorities.

7. The Department's weekly report on appointments is attached.

THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

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November 18, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: Charlie Schultze *CLS*

Subject: CEA Weekly Report

Labor-Management Group. Since you released your Anti-Inflation message in April, members of the Administration have been meeting with a group of leaders from business and labor that is chaired by Reg Jones and George Meany. Senator Lee Metcalf has questioned whether these meetings have been conducted in conformity with the Federal Advisory Committee Act. This week I received a memo from the Justice Department that concludes that the meetings have not been conducted within the strictures of that Act. Mike Blumenthal and I are considering an appropriate structure for our relationship with the business and labor communities that will fall within the Act.

Steel Task Force. CEA has been working closely with Tony Solomon to consider policy options for the steel problem. One of the most critical issues is how to improve the regulatory atmosphere for the steel and other similar industries. As the COWPS report on the steel industry pointed out, it is clear that current regulations are a significant disincentive to modernization in the steel industry. They may even hinder cleaning up the pollution. CEA is working with Mr. Solomon and EPA to find a solution to this problem.

Economic Decisions. Mike Blumenthal has outlined a set of options for tax reform and revision proposals for 1978 after discussion with Stu Eizenstat, Jim McIntyre and me. Those proposals will be brought to your attention shortly. Mike, Stu, and I are scheduling discussions with private sector representatives on possible approaches to our inflation problem. We will bring recommendations to you on that issue in early December.

Presidential Scheduling. At his request, I have prepared for the Vice President a memo outlining the major economic issues that will come before the Congress and the Administration next year. I have suggested appropriate priorities among the issues, and outlined steps the Administration should take to explain our economic program to the people. I believe that we must give top priority to early passage by the Congress of our economic proposals, and arrange the scheduling of other proposals to avoid conflicts with this, our top priority legislation.

Energy Speech. Bill Nordhaus spoke on the energy plan before Executive Enterprises, Inc., on November 17, 1977.

Trip Abroad. I will be in Paris from Sunday through Wednesday at a meeting of the Economic Policy Committee of the OECD. In the interim, Lyle Gramley will act in my place.

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U. S. DEPARTMENT OF LABOR
OFFICE OF THE SECRETARY
WASHINGTON

"FYI"

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November 18, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: SECRETARY OF LABOR *R.M.*

SUBJECT: Major Departmental Activities, November 12-18

COLLECTIVE BARGAINING

International Longshoremen Strike

As I indicated in last week's memo, a major impasse in the East Coast longshoremen's strike was broken over the weekend. Negotiations have continued throughout the week and settlements are close in the North and South Atlantic as well as the Gulf Coast ports. Several issues remain to be resolved in the ports of New York and New Orleans. My expectation is that there will be a union referendum to ratify the contract early next week. This would mean that workers would be back on the job by Thanksgiving.

Coal

My recent discussions with the Federal Mediation and Conciliation Service, the United Mine Workers and the Bituminous Coal Operators Association indicate that a coal strike cannot be averted when the current contract expires on December 6. The most optimistic assessment is that a coal strike will last a minimum of 20 to 30 days. And, it is likely that such a strike could last 60 days. It is generally agreed that a coal strike of 30-60 days will not create serious energy or economic problems.

ENERGY

I have continued to emphasize the relationship between a national energy program and full employment in my speeches and interviews with the press. My major speech this week

was to a national conference of CETA prime sponsors hosted by the Conference of Mayors. In addition, I discussed energy in some detail during a press briefing I held today on the Humphrey-Hawkins bill and in an interview with the Wall Street Journal. I also had a chance to discuss energy at a conference in South Carolina that was sponsored by the apple growers association. I am attaching a copy of an article that appeared this week in the Daily Labor Reporter regarding an earlier energy speech of mine.

ECONOMIC STIMULUS PACKAGE--CETA

The major purpose of my speech to the CETA prime sponsors was to stress the need for cooperation in targeting our jobs programs on groups like minorities, teenagers and Vietnam-era veterans. In addition, I assured them of the Administration's continued commitment to the CETA program and public service employment. This conference was important because it represented the first time that I have had a chance to talk frankly with a large group of CETA prime sponsors about the progress of CETA, CETA reauthorization and welfare reform. This kind of contract is essential because of the decentralized nature of the CETA system which gives the prime sponsors actual responsibility for operating the program.

Several recent newspaper stories have suggested that too many CETA jobs go to the middle-class and that a significant portion of CETA funds go to helping local governments pay the salaries of their existing work force. The Economic Stimulus program and the new regulations that accompanied it are allowing us to get a much better handle on these problems. I am aware that you share some of these concerns about the CETA program. I will be sending you a more detailed memo on the subject. I would also like to talk with you about CETA--as well as the government's anti-inflation program--when we meet on November 28,.

Attachment



BNA's Daily Reporter System

DAILY LABOR REPORT**ANALYSIS****CARTER ADMINISTRATION'S ENERGY PLAN
TIED TO JOBS: 5.5 MILLION BY 1985**

- In Colorado, where concern for energy conservation is long standing, officials estimate that 20 million American homes need one or more of three basic energy-savers: clock thermostats, caulking and weatherstripping, and storm windows. Estimates of the number of full-time jobs required to fill those needs range from 400,000 to more than a million.

- By 1979, the General Services Administration plans to build 27 buildings in various parts of the country that will be designed to conserve energy -- about \$3 million annually. The estimated number of jobs to be created is 17,900.

- A two-thirds increase in coal production over the next eight years, as proposed under President Carter's national energy plan, would require 125,000 additional coal miners, plus enormous quantities of new mining equipment which in turn would lead to more jobs in the manufacturing industry.

These are only a few of the job payoffs being attributed to President Carter's energy proposals these days by Administration officials engaged in an all-out campaign to counteract criticism and build public support for legislation now pending in Congress.

In the forefront of the campaign to enlist business and labor support for Mr. Carter's energy package is Labor Secretary Ray Marshall, who recently estimated that the program would create a total of 5.5 million jobs by 1985.

Marshall told the Airlines Industrial Relations Conference in Chicago that the figure amounts to about one job for each barrel per day reduction in oil imports by 1985, plus an additional one million jobs in energy-related activities.

Self-dependence in energy, Marshall said, would stimulate business investment by creating more certainty about energy policies, supplies and prices. This, he said, "would go a long way to solving some of our fundamental unemployment problems."

Marshall and others have stressed that a secondary, job-creating benefit of the Administration's program would be a "re-emphasis on labor-intensive operations in a number of fields."

Instead of relying on technology and science to meet human needs, officials say, energy conservation would be achieved with human hands -- digging more coal, weatherizing homes and office buildings, and manufacturing new energy-saving equipment such as solar and wind power materials.

"For generations industry has been substituting energy for labor and the process accelerated as cheaper, easier-to-use energy sources like natural gas and oil emerged," observed an article on energy and jobs in a recent Labor Department publication. "Now the process must be reversed. Both in the production of goods and of energy itself, work hours will be a larger element."

For example, the article points out that a federally-sponsored program to winterize the homes of the elderly was undertaken in 1976 and resulted in full-time jobs for approximately 2,000 workers. The goal of the program was handling 100,000 dwellings a year at an average unit rate of a day's work for a four-person crew.

Next year the Department plans to step up the pace of the weatherization program to a million dwellings a year, which will mean 20,000 additional full-time jobs.

Marshall's effort to sell Mr. Carter's energy package partly on the basis of its potential for jobs may be aimed primarily at the AFL-CIO, which recognizes the national importance of a coherent energy plan but opposes several key provisions of the President's proposals namely, the crude oil well head tax and the deregulation of natural gas, which it regards as inflationary.

The Secretary's objective, apparently, is to convince labor and others that the job-creating potential of the President's plan outweighs some differences over the policy approach to be taken in achieving energy conservation and independence. Meanwhile, however, the White House and the AFL-CIO remain at odds over several important features of the President's energy proposals.

-- End of Section C --



United States
Environmental Protection Agency
Washington, D.C. 20460

C

The Administrator

November 18, 1977

WEEKLY REPORT TO THE PRESIDENT

FROM: Douglas M. Costle

DAM FAILURE ALERT: During a visit to EPA's Industrial Environmental Research Laboratory in Cincinnati last week, I learned of a dam failure alert device that we have developed with Drexel University. Referred to in the press as a "rumble reader," the device--using noise levels--monitors earthen dams, dikes, and embankments to assure the stability and safety of a site.

Though originally developed to help prevent spills of oil and hazardous materials, the device has real promise for providing timely warning of dam failure. I wanted you to know about it, and we are passing along the information to Pat Harris, the Army Corps of Engineers, other federal agencies, and Governor Busbee's Task Force on Dams. We are also informing the appropriate lead agency in each state of the availability of this dam failure warning tool.

JOINT SOVIET-UNITED STATES MEETINGS: We concluded today the Sixth Meeting of the Joint US-USSR Committee on Cooperation in the Field of Environmental Protection. The week of meetings, in which we reviewed progress during the last year and set up the agenda for next year, went well. It was cordial and constructive, and there were no substantive disagreements.

Currently, 41 projects exist under the Agreement, including:

- Joint work on earthquake prediction;
- Joint studies on measurement of air pollution;
- Joint Arctic expeditions to study marine pollution; and
- Symposia on comprehensive environmental analysis and environmental economics.

The Russians have agreed to study with us during the next year the potential health impacts of coal processing plants. The results should be useful to us in our efforts to expand coal use.

A handwritten signature in black ink, appearing to be 'J. B. King', written in a cursive style.



THE SECRETARY OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, D. C. 20410

November 18, 1977

MEMORANDUM FOR: The President
Attention: Rick Hutcheson, Staff Secretary

SUBJECT: Weekly Report of Major Departmental Activities

The following are brief descriptions of significant activities at the Department of Housing and Urban Development.

Status Report on South Bronx. The third intergovernmental meeting to review progress and plans for the South Bronx is being held today. At our suggestion, all Federal departments have inventoried their programs to determine what funds are now being provided to the South Bronx area. Although we have not yet received New York City's plan for redevelopment of the South Bronx, the submission is expected shortly. At the City's request, this Department postponed an auction of 195 HUD-owned properties in the area pending development of the City's plan and a decision on whether any of these properties will be needed for redevelopment.

HUD to Publish Energy Conservation Guide. The Department is now completing final work on a new energy publication, "Guide to How Neighborhood Organizations Can Get Involved in Energy Conservation Activities," to be circulated to some 10,000 neighborhood and consumer organizations. The Guide is unique because citizen groups have been consulted throughout the drafting process and because it places special emphasis on assistance that can be provided by local groups, rather than from government agencies.

Although neighborhood and local consumer organizations could be an important resource for this Administration's energy program, particularly the energy conservation aspects, most have not assigned high priority to the energy issue. Based on conversations with citizen groups, the Guide addresses seven areas expected to be of interest: appropriate technology, consumer protection, energy information outreach, newspaper recycling, utility rate reform, weatherization, and other energy conservation and recycling projects.

Mortgage-Backed Securities Program Records High Volume.
During the past week, the volume of mortgage-backed securities issued by the Government National Mortgage Association (GNMA) since the program's inception reached \$50 billion. This program, which began in February 1970, has provided financing for more than 1.8 million homes purchased by middle income families. Since January, GNMA has issued \$15.5 billion in mortgage-backed securities, and, at the present time, the Mortgage-Backed Securities program is the third largest source of funds for the single-family home mortgage market.

New Facility for St. Elizabeth's Hospital. This Department has been working for some time to find a way to use the J. B. Johnson nursing home, a HUD-owned property, to assist in meeting the need for facilities in the District of Columbia for the mentally handicapped. Secretary Califano has agreed to accept a transfer of the nursing home, which has never been occupied, and to provide \$500,000 to bring the facility up to HEW's standards. This facility will assist in providing a community-based mental health delivery system for the District of Columbia and will demonstrate the Federal Government's commitment to the deinstitutionalization of patients who can be cared for in nursing homes and intermediate care facilities.

HUD Holds Second Annual Urban Homesteading Conference.
On Thursday, local officials of the 23 original HUD-sponsored urban homesteading demonstration cities and HUD staff met to discuss their programs with representatives of the 16 new cities selected to participate in urban homesteading. Representatives from the demonstration cities also are providing advice and guidance to this Department on moving urban homesteading from a demonstration to a fully operational neighborhood preservation and revitalization program. The local officials who have been strong advocates for the program have been more than willing to provide assistance.

Next week the Department will announce an additional \$6 million of funding for the transfer of HUD-owned properties to the 23 demonstration cities and an equal amount of Section 312 rehabilitation loan funding to provide low-interest direct loans for homesteaders.



Patricia Roberts Harris

Attachment

In the following appearances before various groups around the nation from Monday, Nov. 14 through Sunday, Nov. 20, the following HUD officials included in their remarks support for President Carter's energy program.

Monday
November 14

Assistant Secretary Embry
Executive Committee Meeting
Council of State Community Affairs Agencies
Hall of the States
REMARKS AND Q&A
Washington, DC

Assistant Secretary McGuire
National Association of Realtors
National Convention
SPEECH
Miami, FL

Tuesday
November 15

Secretary Harris
National Association of Realtors
National Convention
SPEECH
9:45 a.m.
Miami, FL

Assistant Secretary Medina
American Society for Public Administration
Topic: Is There Anything New In Management?
LUNCHEON SPEAKER - Monthly Meeting
Washington, DC

Wednesday
November 16

Secretary Harris
Dinner with Vernon Jordan and Board of
Trustees of National Urban League - Remarks
New York Hilton
New York, NY

Assistant Secretary Embry
Action Housing, Inc.
20th Anniversary
REMARKS AND Q&A
Pittsburgh, PA

Assistant Secretary Embry
Luncheon/Meeting w/Legal Services
Lawyers and Clients
Q&A SESSION
Silver Spring, MD

Thursday
November 17

Secretary Harris
Women's National Democratic Club
LUNCHEON SPEECH AND Q&A
Washington, DC

Under Secretary Janis
Urban Homesteading Conference
Departmental Conf. Room
2:30 pm

Secretary Harris
U.S. News & World Report
INTERVIEW w/Editorial Board
2300 N Street, N.W.,
3:00 p.m.

Under Secretary Janis
NAHB Housing Forecast Conference
DISCUSSION PARTICIPANT
National Housing Center
Washington, DC

Assistant Secretary Baroni
National Council for Urban Economic
Development
LUNCHEON SPEECH
Washington, DC

Assistant Secretary Baroni
National Democratic Forum
PANELIST - Housing, Jobs, and Community-
Development
New York, NY

Friday
November 18

Secretary Harris
National Democratic Forum
LUNCHEON ADDRESS
New York, NY

Under Secretary Janis
Democratic National Committee
LUNCHEON SPEECH
Orlando, FL

Under Secretary Janis
Florida State Democratic Convention
SPEECH
Orlando, FL

Assistant Secretary Shalala
National Democratic Forum
SPEECH
New York, NY

GNMA President Dalton
Wharton School Club of Washington
LUNCHEON SPEAKER

Friday
November 18

Assistant Secretary Embry
Council on Urban Economic Development
LUNCHEON SPEECH
Mayflower Hotel
Washington, DC

Saturday
November 19

Assistant Secretary Shalala
International Women's Year Conference
SPEECH
Houston, TX

Sunday
November 20

Assistant Secretary Shalala
Seminar on Transition & Leadership for Newly
Elected Mayors, Institute of Politics
JFK School of Government
Harvard University
LUNCHEON SPEECH
Cambridge, MA

MICHIGAN CITY
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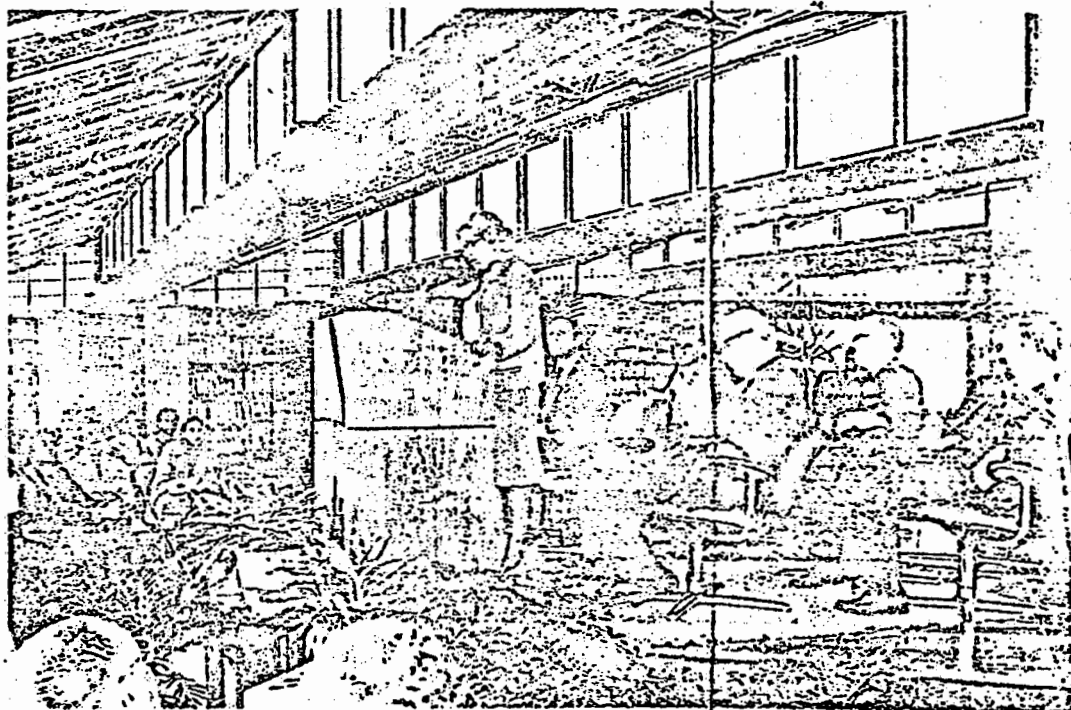
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OCT 31

Michigan City, Indiana, News-Dispatch, Monday, Oct. 31, P.3

Library dedication

U.S. Secretary of Housing and Urban Development Patricia Harris addresses the approximately 350 persons attending yesterday's Dedication Day ceremonies at the Beachway library. Activities will be taking place all week at the library as part of the celebration. (News-Dispatch photo by Bill Swedenberg)



Harris hails Beachway library

By RON IORI
News-Dispatch staff writer

Hailing the Beachway library as another effort to revitalize a downtown area, U.S. Secretary of Housing and Urban Development Patricia Harris yesterday told a Dedication Day crowd such attempts were going to be a major thrust of her department in the months ahead.

At the same time, city resident Carter Manny, a partner in the architectural firm which designed the facility, presented the library with another award he said was more prestigious than the first it has received.

The Illinois Council of the American Institute of Architecture gave the building a state award last week, Manny announced.

Manny presented the certificate at yesterday's ceremonies which marked the official opening of the \$2.5 million library facility in Beachway. Several dignitaries were on hand, including Mayor Joseph LaRocco and 3rd District Rep. John Brademas. About 350

persons attended.

Dedication chairman Irv Levin expressed gratitude for persons contributing to construction of the building, including the architects, contractors, library board members and librarian Don Daniels.

As guest speaker for the ceremonies, which begin a week of activities (see adjoining list), Mrs. Harris said libraries would continue to play a role in efforts to revitalize the nation's urban centers.

"Such institutions provide jobs, education and recreation," she said, "and when we build them in depressed areas they bring new life to those who live and work nearby."

Mrs. Harris also spoke of President Carter's energy program.

"If the president's energy program is not adopted in a form substantially like that of the administration's original proposal," she said, "we can expect to see in this country in the near future the full effects of what we sometimes forget is a real crisis situation."

Applying this to her department, she noted the high cost of housing will skyrocket even further "by raising what we pay for building materials and utilities."

She also assailed Americans' dependence on foreign oil imports saying, "Our reliance is so great that it now takes the United States, which exports more agricultural products than any other country in the world, two years of selling food and fiber to other nations to pay for one year's worth of foreign oil."

In an interview before the ceremonies, Mrs. Harris said the energy problems has a "very direct" relationship on the homeowner since "so much energy is used for space heating."

"Anything that will stabilize the price of energy will help the homeowner," she commented.

She also stressed, before her address, the importance of passing the administration's energy plan intact.

"This plan will achieve the goals of conservation" necessary for the homeowner, she said, adding the

administration hoped Congress would act "expeditiously" on the matter.

President Carter plans an overseas trip beginning Nov. 22 which may be canceled if the energy dilemma is not resolved.

Mrs. Harris also noted with interest the recently-completed plans to build a new city hall in the city's north end.

"We're not telling cities how to revitalize the urban areas," she said, "we're asking them to tell us how. We will try to assist the major tasks that a city plans under recently-signed legislation."

That legislation, the Housing and Community Development Act, will include special assistance to cities in the Great Lakes area, according to Brademas, who also spoke at yesterday's festivities.

Brademas also lauded the library building.

"This library is a symbol of Michigan City's commitment to the future," he said, "a commitment both to the revitalization of her downtown area and the cultural life of her citizens."



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THE SECRETARY OF TRANSPORTATION
WASHINGTON, D.C. 20590

November 18, 1977

MEMORANDUM FOR THE PRESIDENT

ATTENTION: Rick Hutcheson, Staff Secretary

SUBJECT: Weekly Report on Significant Issues Pending at
the Department of Transportation

FROM: Brock Adams

A large, handwritten signature in black ink, which appears to be 'Brock Adams', is written over the 'ATTENTION' and 'SUBJECT' lines.

Concrete Tie Contract for the Northeast Corridor
Rail Line

Information

As I reported in my November 4 memorandum, the Department is moving ahead on the award of a \$30 million contract to build concrete ties for the Northeast Corridor. The list of bidders was released on Monday and contains three companies chosen out of the twelve which submitted proposals. Two are minority-owned firms, although one (Sherman R. Smoot Co.) is in partnership with a South African company. A contract award will be made in the next two weeks.

METRO/Glenmont Route

Information

During the early part of next week, I will send a letter to the Washington Metropolitan Transit officials stating that a fiscal plan covering capital, operating, and bond-indebtedness costs must be prepared before the Department can approve additional construction beyond the approved 60-mile subway system.

Air Traffic Controllers

Information

On November 21, the Professional Air Traffic Controllers Organization (PATCO) is scheduled to begin picketing at all major U.S. airports and the Department of Transportation. This action results from a bargaining impasse between the Federal Aviation Administration and the union which represents 17,700 air traffic controllers. Negotiations between FAA and PATCO have been going on since May, 1977, but so far only thirteen of the ninety-four PATCO demands have been resolved. Under court rulings, picketing may take place so long as it does not threaten to interfere with Government operations.

Coast Guard Procurement of 270-foot Medium Endurance Cutters Information

On August 26, 1977, I advised you that Oy Wartsila Ab of Helsinki, Finland, was the apparent low bidder on the first four of a new class of Coast Guard Cutters. Their bid was 35 percent lower than the next lowest competitor, a U.S. shipyard.

In accordance with Federal Procurement Regulations, Wartsila was asked to confirm this comparatively low bid. After a considerable delay, they alleged a mistake, involving the electronic package, which amounted to more than \$3 million per vessel. Wartsila requested an upward revision of their bid or, should the revision not be allowed, that they be permitted to withdraw. Following a review of submitted justification material, the Coast Guard determined that a mistake had been made, but because much of the evidence was obtained and compiled after bid opening, correction was not allowed. On November 11, Wartsila was permitted to withdraw.

While not concluded, an evaluation of the security aspects associated with construction at Wartsila also disclosed serious problems.

Promotion of Administration's Energy Program Information

This morning I joined Secretary Harold Brown at the Pentagon in a press conference promoting the 55 m.p.h. speed limit program as a fuel and life saving effort throughout the military. On Wednesday, I spoke to the National Transportation Policy Study Commission in New Jersey on transportation and energy. On Thursday, I gave an interview to the Los Angeles Times regarding the changing role of the automobile due to our national energy crisis.

THE SPECIAL REPRESENTATIVE FOR
TRADE NEGOTIATIONS

WASHINGTON

20506

November 18, 1977

MEMORANDUM FOR THE PRESIDENT

From: Ambassador Robert S. Strauss

Subject: Weekly Summary

We have stepped up the pressure on Japan considerably this week and it is my expectation that we will have some substantial trade concessions for you to announce prior to the end of the year. My present intention is to go to Japan around the twelfth of December if the preliminary negotiations go forward as hoped.

With respect to trade, you are going to be coming under increased pressure from the textile sector and we are already strongly feeling the heat in the Congress each day.

Helen and I found last night's film clips delightful and nostalgic. From "Gone With The Wind," which we saw together as freshmen in college, the clips carried us through our life together. We commented at midnight that we would never have believed then, that our lives would take us to a box at a Kennedy Center next to the President, as a member of the Cabinet. I can imagine the thoughts that you and Rosalyn shared.

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United States of America
General Services Administration
Washington, D.C. 20405

Administrator

C

November 18, 1977

MEMORANDUM TO THE PRESIDENT

THRU: RICK HUTCHESON

SUBJECT: Weekly Report of GSA Activities

Savings From Reorganization

Effective October 1, two functions of the Defense Communications Agency were transferred to the Federal Preparedness Agency (FPA), GSA. These two organizations provide support to FPA's continuity of government program. An immediate result of this transfer was the elimination of one complete management layer which represents an annual saving of approximately \$220,000. Additional savings will be realized with the reduction of ten additional spaces as these two organizations become fully integrated within FPA.

Beverage Container Recycling Test Sites

GSA has decided to implement the EPA Solid Waste Management Guidelines for beverage containers in an effort to reduce solid waste and litter which will result in savings in waste collection and disposal costs to the Government. Test sites have been selected in each region, and the number of test sites exceeds EPA requirements by more than 50 percent.

Surplus Personal Property Auction

An estimated 1500 persons attended an auction last Saturday in Boise, Idaho. Bidders paid a total of \$196,920 for 165 used vehicles and other miscellaneous items. This is a return of 40.7 percent of the Government's acquisition costs.

Graduate Co-op Program

As a result of Executive Order 12015 broadening provisions governing work-study programs within the Federal Government, the National Archives anticipates extensive use of the graduate co-op program in bringing qualified minority candidates into professional positions at the Archives.


JAY SOLOMON
Administrator

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THE WHITE HOUSE
WASHINGTON

11/18/77

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Mr. President:

John White called to let you know that Agriculture has passed the 100% mark and achieved USDA's goal in the Combined Federal Campaign.

November 18, 1977

MEMORANDUM TO THE

THROUGH Rick Hu
Staff Secretary

Rick

SUBJECT: Week 1

FAO. The Secretary
Biennial Session

Organization

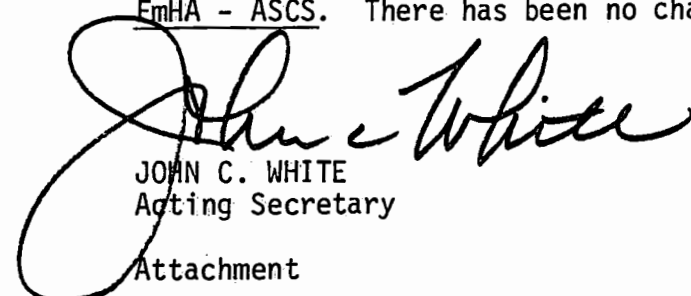
SET-ASIDE. Decision on acreage of corn set aside in U.S. production by an estimated 1 percent of total world coarse grain production will reduce U.S. production decision to be reviewed late January.

NORTH ATLANTIC PORT SETTLEMENT. A tentative agreement was reached on November 13th between the International Longshoremen's Association and shippers for major U.S. ports from Massachusetts through Virginia. Negotiations continue in the South Atlantic and Gulf ports where final settlement is expected this week.

WORLD GRAIN STOCKS. Due to smaller crops in USSR and the Southern Hemisphere, world grain carryover stocks are now expected to total about 12 million tons below the previous estimate.

ENERGY. Deputy Secretary White addressed the energy issue in his speech to the National Agricultural Bankers Conference on November 16 at Kansas City, Missouri.

FmHA - ASCS. There has been no change in the status of these appointments.


JOHN C. WHITE
Acting Secretary

Attachment

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Four years ago, I had the honor to attend the 17th Session of the Food and Agriculture Organization as a Congressional Adviser to the U.S. Delegation. Since that time, I have watched with increased interest the work of this Organization. In these four years, there have been encouraging developments in FAO and in the world food situation. Also, and especially in the past year, the United States has reviewed its own role in relation to the world food system, to the developing world, to the problem of hunger and malnutrition, and to FAO. It is a privilege for me to represent my country at this 19th Session and to discuss with you certain changes in our own policies and in our aspirations for FAO.

First, I would like to commend FAO for its accomplishments since the last Biennial Session. Under Dr. Saouma's leadership the Organization has made important changes, particularly in strengthening development activities, in decentralizing headquarters functions, and in emphasizing immediate production problems. The United States also applauds the Organization for its expanded membership, and we salute the new members who are joining this great forum at this time. The subject of food is universal, and the national participation in FAO should reflect this universality.

Remarks by Secretary of Agriculture Bob Bergland at the 19th Session of the Food and Agriculture Organization, Rome, Italy, November 15, 1977.

In this Session the member countries can consider the intermediate and longer-run goals of FAO without the immediate pressure of world food shortages and the crisis that prevailed in our last two sessions.

In order to review the current and intended policies of the United States Government, both domestic and international, I believe it is important to understand our view of the current and prospective situation.

First, world grain production has exceeded consumption in each of the last two crop years, although it is not expected to do so this year. In any event, there is a significant increase in world carryover and a decline in prices in international markets. Thus, the air of crisis which dominated the discussions of four years ago has disappeared.

Second, despite the increased production, the number of malnourished people remains intolerably large and little progress has been made toward the goal of eliminating malnourishment in the poorest developing countries.

Third, the longer-run problem of inadequate growth rates of food production in the developing countries still remains the major challenge of our time. We expect FAO to play a major role in meeting that challenge, and I shall comment on this later.

Fourth, most of the world has had average of better weather over the past three crop years and we know that this situation will not continue indefinitely. Thus, action must be taken to prepare for years in which the weather is less favorable.

We believe that these four facts set the context in which both our domestic food and agricultural policies and our role in international forums can be best understood. Let me now relate these to our recent and proposed actions.

The recent increases in carryover stocks combined with large crops has brought sharply lower prices on international markets for grains. Some grains are selling on world markets at or below the long-run cost of production of efficient producers. We believe that this situation if it persists will threaten the long-run production capability of world agriculture by reducing investment incentives not only in the United States and other developed countries, but even more importantly in developing countries.

To avoid these over-reactions the U.S. passed new domestic farm legislation designed to give producers protection against temporary imbalances in supply and demand. We believe that protecting the productive capacity of U.S. agriculture is a major factor in insuring world food security.

(More)

At the same time the U.S. Government acted to take advantage of the current low prices and adequate supplies of grains by establishing a reserve program. In late August, the United States announced a comprehensive plan to place 30 to 35 million metric tons of food and feed grains in reserve prior to the beginning of the 1978/79 marketing year. This will be held in a farmer-owned reserve system which will return these products to the market if there is a crop shortfall which leads to higher prices.

Our program includes creation of a special international food reserve of up to 6 million tons of wheat to insure that our current and special food aid commitments can be met.

We are taking active leadership in a proposed new international wheat agreement which would establish an internationally coordinated system of national reserve stocks to reduce the excessive swings in world market prices and extend world food security. We have recommended a strengthened food aid convention within that agreement, with provisions to insure that food aid quantities can be increased in response to unusual needs. In particular we have advocated that donor countries should take steps to improve their capacity to maintain food aid flows during periods of high prices and to provide food aid in response to acute production shortfalls in developing countries. We strongly urge that all nations join us in our attempt to bring these discussions to a rapid and successful conclusion.

(More)

One final point regarding our domestic policy actions which may have been inadequately understood by many other nations. In late August, the U.S. Government requested its wheat producers to reduce plantings for the 1978/79 crop. We calculate it will result in a 8 to 10 percent actual decrease in production. This was done in the context of our view of need for a temporary adjustment in world food grain production.

We have also announced plans for a modest reduction in our feed grain production. However, recognizing the uncertainty of world production, these plans will undergo a complete review before a final decision is made.

These actions were taken only after careful estimation that world supplies would be adequate at reasonable prices, and after insuring that reserves would be established to insure against possible crop shortfalls in the coming year.

The actions I have described are immediate initiatives designed to be consistent with the long-run needs of the world. I should like to turn now to these long-run needs and our view of FAO's role regarding them.

The continued need for improved nutrition and sustained higher rates of food production in most development countries cannot be questioned. Among the key elements required to achieve these goals is a substantially higher level of investment in various aspects of agricultural production and marketing in the developing countries.

There are several aspects of this investment which deserve attention.

One aspect is the need for greater investment in the traditional infrastructure needed to improve agricultural productivity--irrigation and drainage facilities, land improvement, etc. This form of investment will require both increased external resources and increased internal efforts. Regarding the latter, the importance of adequate incentives to producers in generating such internal policies may well offset the effects of increased external investment flows.

A second type of investment required is a sustained investment in the production of new knowledge and production techniques applicable to the conditions of individual developing countries. Similar need exists regarding better methods of harvesting, marketing, and storage necessary to reduce harvest and post-harvest losses.

A third and most important type of investment needed is greater investment in farm and rural people. They must have improved health and nutrition in order to improve their well-being and productivity, and, they must have greater knowledge of improved production, marketing, and other techniques.

The U.S. is moving actively to support these needs on several fronts.

(More)

U.S. contributions to international development lending institutions will be up more than double in 1978 compared with 1976, and much of this will be concessional monies. For example, the United States has ratified the fifth replenishment of the International Development Association (IDA), which is the World Bank's concessional lending program, and will be making an \$800 million contribution to the IDA. The total IDA replenishment amounts to \$7.6 billion over the next three years. Since IDA disburses about 30 percent of its funds for food and agricultural projects in most needy countries, this could mean some \$750 million in new commitments--up from \$420 million in IDA monies for agricultural development to these countries in 1976. The United States will also fully support the regional banks.

The U.S. has deposited the instruments of ratification of the International Fund for Agricultural Development. We anticipate that IFAD will be operational by the end of this year and will begin making disbursements for food and agricultural projects on concessional terms to food priority countries.

Our bilateral technical assistance programs will be substantially increased in 1978--about \$50 million over the \$536 million we had appropriated in 1976 and 1977. A substantial increase is earmarked for the Sahel region in Africa.

(More)

Major changes have been made in our food aid program know as P.L. 480. Commodity commitments under Title II--the donation provisions of the Law--have been increased in favor of the most vulnerable populations of the most needy nations, thus increasing our investment in improved nutrition. In addition, a new Title III using food for development was added to encourage recipient nations to increase their agricultural development and economic programs including nutritional programs on a long-term basis. We believe that long-term food-for-development programs can provide significant assistance in helping developing countries mobilize greater investment in several of the areas I have mentioned.

The United States is deeply interested in all these investment programs because, without adequate investment in all aspects of food and agriculture, the prospects of reducing malnutrition and meeting the food needs of most developing countries would have little chance of long-term success. Thus, the projected increases in the various U.S. investment efforts are earmarked for countries most in need.

All of these efforts recognize the need for greater food production in the developing countries. It is equally important, however, that greater incomes be generated in order that people can obtain the food once it is available. This

(More)

requires programs in employment and rural development. For this reason we support the aims of the proposed Conference on Agrarian Reform and Rural Development and hope that it can be sharply focused on issues crucial to solutions of these problems.

In Manila, we told the World Food Council that the United States is moving more positively to aid the developing countries in their search for a solution to their food problems. The programs I have just now enumerated are indications of how the United States means to back up those statements. We have turned away from policies that were too often passive and sometimes actually negative. We have established for ourselves a new set of goals, some new priorities, and a new level of commitment.

We now want to take the additional step of relating our goals on these matters to our hopes for FAO programs. We want to suggest our expectations with respect to FAO. The challenge facing us in food and agriculture is too large for any single organization to undertake. It is important that together we define and maintain a clear view of the role of FAO. I can begin by saying that, in our view, among U.S. specialized agencies the FAO should exercise the leading international role in combatting hunger and malnutrition.

(More)

We believe FAO activities should be directed principally to agricultural development and the eradication of hunger in developing countries. Concern for freedom from hunger--the right to food--should become the overwhelming concern of FAO and, therefore its operations should reflect this priority. Thus, the U.S. is prepared to give major support to FAO in giving international leadership to:

--Efforts of international organizations and all countries to relieve hunger among the people most in need of FAO's assistance to accomplish this task;

--Facilitating the flow of developmental resources, especially in those countries most in need of assistance;

--Utilization of various development resources in ways which facilitate the access of the hungry to food.

FAO should concentrate more of its resources in food production and consumption problems of developing countries. In this process, emphasis should be placed on facilitating access to food by the poor of the developing countries and particularly those in the poorest of these countries. FAO should develop policies and programs to increase food production in a way that will have a direct impact on human nutrition, improve marketing and consumption practices, and attain more equitable distribution.

(More)

Even this set of priorities will require that FAO continue to have a broad range of concerns and we suggest that an even sharper focus be given within these programs. Our strong support for the new post-harvest loss program is predicated on the assumption that it will be a definable program focused upon countries where need is greatest and prospects for significant improvements are high.

We will continue to support programs on improved land and water use, linking available technology and its users, investment planning, and nutrition monitoring and planning. The singling out of these is not meant to exclude others but to indicate our belief that the acute and growing problem of world hunger and malnutrition requires that FAO redirect its programs and activities to deal with those problems.

Thus, the United States will look to other international organizations for primary leadership on certain commodity problems--organizations such as the International Wheat Council, the General Agreement on Tariffs and Trade, and the United Nations Conference on Trade and Development. We would look to still others, the World Bank and IFAD, for example, for mobilization and disbursement of financial resources which are channeled through multilateral agencies.

(More)

FAO has a magnificent record of achievement in the more than 30 years of its existence. President Carter and we who serve with him in the U.S. Government are pledged to the fullest and most earnest support of this Organization. Like each of you, we recognize the urgency of the job with which we are charged--to reduce hunger and malnutrition and to build food security throughout the world. Like each of you, we want to get on speedily with this enormous but rewarding task. We welcome the opportunity to work with each of you, with each of your governments, in advancing the goals of this great Organization.

Let us move forward together.

#

THE WHITE HOUSE
WASHINGTON

November 21, 1977

Charles Warren

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

RE: DOE ENVIRONMENTAL APPOINTMENT

THE PRESIDENT HAS SEEN.

EXECUTIVE OFFICE OF THE PRESIDENT
COUNCIL ON ENVIRONMENTAL QUALITY
722 JACKSON PLACE, N. W.
WASHINGTON, D. C. 20006

*Charles -
Submit directly
to me 4 or 5
names - strong
persons
JC*

November 18, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: Charles Warren *Charles*
Gus Speth
Marion Edey

SUBJECT: CEQ Weekly Status Report

Meeting With Environmental Leaders: Your recent meeting with environmental leaders was most successful. They have asked us to convey their appreciation to you. As a result of that meeting several articles supporting the energy plan have appeared in environmental newsletters and other publications and strong efforts in support of Marion's nomination have continued.

DOE Environmental Appointment: The concern which the environmental leaders expressed to you regarding the selection of an Assistant Secretary for Environment at DOE continues unabated. At our biweekly meeting with environmental organizations today, the apparent front-runner, Cliff Smith, who was Administrator of EPA Region X in the prior Administration, was said to have a weak record and to be unacceptable. There was also no support for two other persons under serious DOE consideration (Harr and Monaghan). We believe it possible to find a qualified person for this important post who is acceptable both to the DOE leadership and to the environmental community.

Solar Energy: We are now finishing a report on recent progress in the development of solar energy technologies (both direct and indirect). The conclusions are encouraging and suggest the desirability of using the Presidential Domestic Policy Review System to review and further develop Administration policy on solar energy. We will be contacting Stu shortly regarding this. We believe there are major benefits in establishing a high-priority and coordinated Administration program in this area.

*I thank you for the article on Amory. I take it you
are not suggesting our recent comments on
nuclear power are too ambiguous?*

Charles -

THE WHITE HOUSE
WASHINGTON

November 21, 1977

Secretary Andrus

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

RE: DAM PROJECT STRATEGY
GOV. OF AMERICAN SAMOA AND
MICRONESIA -- MESSAGE



Cecil D. Andrus

*Cecil
J*

7

MEMORANDUM TO

From: Sec

Subject: Ma November 14

I regret that I did not see a black eye in reporting the Metrop. side by side with our Ch. If you desire any informa

We have to determine prior to Congress' return in January. I have a recommendation in, but we need a response.

*at
budget
hearing*

In early January, we will inaugurate for the first time a popularly elected Governor of American Samoa and Micronesia. We now have satellite television capability to send a personal message from you to their people on that day. I suggest it be done.

ok

Excess lands and water policy review hearings are continuing. There is light at the end of the tunnel.

Energy speech was well received at the University of Kansas. I also had two press conferences on energy.

Cecil D. Andrus
CECIL D. ANDRUS

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THE PRESIDENT HAS SEEN.

THE WHITE HOUSE
WASHINGTON

November 18, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: Jack Watson *Jack*
Jane Frank

SUBJECT: SUMMARIES FOR THE WEEK OF NOVEMBER 14-18

We are attaching the weekly summaries.

Juanita Kreps suggested at the last Cabinet meeting that Charlie Schultze might give a status report on the economic outlook at the Cabinet meeting on Monday, November 21st. Since Charlie will not be present at the meeting, I suggest we defer his report for one week.

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cc: The Vice President

Attachments

THE WHITE HOUSE
WASHINGTON
November 21, 1977

Jack Watson
Tim Kraft

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

RE: PLAN FOR A SERIES OF MEETINGS
WITH BUSINESS AND OTHER LEADERS

THE WHITE HOUSE
WASHINGTON

	FOR STAFFING
	FOR INFORMATION
/	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

ACTION	FYI	
		MONDALE
		COSTANZA
		EIZENSTAT
		JORDAN
		LIPSHUTZ
		MOORE
		POWELL
/		WATSON
		LANCE
		SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER
	Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

	ARAGON
	BOURNE
	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	HARDEN
	HUTCHESON
	JAGODA
	KING

/	KRAFT
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

THE WHITE HOUSE
WASHINGTON

Mr. President:

Tim Kraft has no comment.

Rick (wds)

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

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Jack

MEMORANDUM TO: THE PRESIDENT

FROM:

Jack Watson
Jane Frank

November 17, 1977

RE:

Plan for a Series of Meetings with
Business and Other Leaders

After reflecting on the format of last Thursday's very successful meeting with the heads of twenty-six corporations, some members of your Cabinet and White House staff, we have some observations for you to consider. The best parts of the meeting were

- the amount of time you spent--almost an hour--and the quality of conversation while you were present;
- the informal conversations during the buffet lunch;
- some of the questions in response to brief presentations by Cabinet members; and
- the essentially positive mood of the whole group and the very positive feedback we have gotten from them since the meeting.

The less desirable features were:

- the length of the meeting--three hours is a little too long;
- the number of presentations by Cabinet members--three separate topics are too many; and
- the presence of some senior Administration officials who had no real role to play and, hence, were wasting their time.

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-2-

All things considered, however, we think the experiment was successful and propose that, with some changes in the format, it be continued over the next year.

Here are our suggestions for a basic format:

1. With the full collaboration of the Cabinet and White House staff, we would identify twenty-plus key constituency groups--many from business--with whom you should meet during the next year. Twenty to thirty people would be included in each group--sometimes from similar backgrounds, other times not. Examples are: representatives of small businesses; minority and women business owners; more representatives of middle-level businesses; leaders of small and middle-size labor unions; environmentalists; etc. *no - 9d rather keep have mixed groups - mostly business - professional - some Exec Admin & educators*

2. Each group would be invited for a two-hour meeting at the White House with Cabinet members, senior White House staff and you. It would be very good if, on occasion, the Vice President attended the meetings for the entire two-hour session. The first hour would include breakfast at the White House Mess or a buffet lunch and a brief presentation on a topic of interest to the group by a Cabinet member, followed by an opportunity for questions and comments by the guests. The group would then move to the Cabinet Room for the second hour, where you would chair an open discussion for thirty minutes or more if your time permitted. There is unanimous agreement among all of us on this memorandum that an hour of your time is ten times better than a half hour. Thirty minutes is simply too short a time period for you to be able to hear very much from the guests or to have much of an exchange with them. In addition, there is a kind of subtle pressure or tension imposed on the meeting when everyone knows you're going to be present for such a short time. Following your departure, if time permitted, a second Cabinet member or senior White House staff person would make another brief presentation and take questions. *3 hours seems better to me*

3. Tim Kraft has tentatively proposed to schedule a half-hour of your time every two weeks over the next year for these sessions. We recommend that you consider an hour every three weeks. *Schedule 1/2 hour - leave time open for longer if I want it*

CC: The Vice President
M. Blumenthal
J. Kreps
J. McIntyre
C. Schultze
R. Strauss

DALLAS TIMES HERALD

Friday, November 11, 1977

Business dialogue 'success'

WASHINGTON (AP) — President Carter opened a dialogue with the business community Thursday. Several executives who took part pronounced it a success.

"I think it was a successful attempt and went a long way to dispel the questions" of business leaders, said Arjay Miller, veteran Ford Motor Co. executive who now runs the Stanford University business school.

Miller and others at the meeting said Carter told them he was thinking about making a national speech to reassure the business community about his economic policies.

Ira G. Corn of Michigan General Corp. of Dallas, said the lengthy session developed "more enthusiasm, more optimism" among the 25 executives who attended. He expressed confidence that business will enjoy improved communications with the administration and will be invited to contribute ideas during the formulation of policy.

Don L. Gervitz of The Foothill Group, asked about lack of business confidence in Carter, told reporters, "I saw very little of that so-called lack of confidence around that table." He forecast that "as time moves on, the president will be more comfortable with the business community."

The president plans to hold similar meetings on a periodic basis with other business delegations.

One executive who talked to reporters, Frank Lautenberg of Automatic Data Processing Inc., was alone in voicing skepticism about the effect of the meeting.

Lautenberg called it a "good start" and reported it was exciting to meet with Carter but suggested some of his colleagues emerged with stars in their eyes.

THE WHITE HOUSE
WASHINGTON

November 17, 1977

Stu Eizenstat
Hamilton Jordan
Jody Powell
Tim Kraft

The attached is forwarded to
you for your information.

Rick Hutcheson

RE: PLAN FOR A SERIES OF MEETINGS
WITH BUSINESS AND OTHER
LEADERS

Hold

*TC wants to
follow up*

*11/19 - OK to
send it. per TR*

B

THE WHITE HOUSE
WASHINGTON

	FOR STAFFING
✓	FOR INFORMATION
	FROM PRESIDENT'S OUTBOX
✓	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

ACTION	FYI	
		MONDALE
		COSTANZA
	✓	EIZENSTAT
	✓	JORDAN
		LIPSHUTZ
		MOORE
	✓	POWELL
		WATSON
		LANCE
		SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER
Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day	

	ARAGON
	BOURNE
	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	HARDEN
	HUTCHESON
	JAGODA
	KING

✓	KRAFT
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

THE WHITE HOUSE
WASHINGTON

November 28, 1977

Stu Eizenstat

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

RE: DOMESTIC POLICY STAFF WEEKLY
STATUS REPORT

cc Warren

THE WHITE HOUSE
WASHINGTON

	FOR STAFFING
	FOR INFORMATION
/	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

ACTION	FYI	
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	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

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November 18, 1977

Stu
C
/

MEMORANDUM FOR: THE PRESIDENT
FROM: STU EIZENSTAT *Stu*
SUBJECT: Domestic Policy Staff Weekly
Status Report

ECONOMICS AND BUSINESS

Tax Reform: We will be working with Treasury to develop *Wed pm.*
option packages for consideration.

Economic Policy: We are working with CEA and OMB to develop
a coordinated economic strategy.

Steel: We continue to work with Tony Solomon.

Corporate Bribery Legislation: Separate corporate bribery
bills (both good) have now passed the House and Senate,
without any dissenting votes. The differences should be
resolved fairly easily in conference, and you should get an
enrolled bill before the end of the session.

TRANSPORTATION

55 Mile-Per-Hour Speed Limit: The Traffic Safety Admini-
stration has submitted a script for a taped message on this
program. Memo to you on this by Monday, November 21.

Adams Memo: Together with OMB, we are analyzing the memo.
Report to you by December 5.

EMPLOYMENT

Youth Employment Private Sector Initiative: Meeting being
held this week with agency and private sector representatives.
Private sector initiatives proposal due November 28. Agency
reports arriving this week. Draft proposal to you today.

HEALTH

Saccharin: The enrolled bill delaying the saccharin ban is now being processed by OMB and will be referred to us shortly. We will be sending you these materials and our memorandum sometime next week.

CIVIL SERVICE MATTERS

Hatch Act Reform: The interagency task force continues to meet with the Senate staff to discuss amendments. We are also working with Frank on overall legislative strategy and to find a Senate floor manager.

Civil Service Reform Initiative: The final decision memorandum is being drafted by Chairman Campbell and OMB. They hope to have it to you within two weeks. We continue to follow the project closely.

Part-Time Employment: Per your decision, demonstration projects being explored with GSA, VA, EPA, FTC, and Ex-Im Bank. Guidance and promotional material are now being distributed throughout government by the Civil Service Commission.

Reorganized Employees: Jim McIntyre and Alan Campbell are preparing memo for their signature to be sent to agencies reaffirming your pledges that federal employees should not be discharged or demoted due solely to reorganizations. McIntyre will discuss this with you shortly.

NATURAL RESOURCES

National Heritage Proposal: Decision memorandum in preparation for submission to you next week.

Dam Safety: Meeting is being scheduled with you, Corps of Engineers and other agencies.

Minerals Policy Study: Decision memorandum has been completed for submission to you.

Wetlands Protection: We are preparing a short report for you on administrative actions to protect wetlands in light of the conference committee's agreement to exempt federally authorized projects from obtaining permits from the Corps of Engineers.

HOUSING AND URBAN DEVELOPMENT

Condominium Consumer Protection Act: Comments from agencies raised Constitutional questions about this bill which Justice and FTC are studying. We have asked OMB to expedite this agency comment process.

Urban Policy: We continue to meet intensively on urban policy and are reviewing the URPB working staff draft to determine the quality of its policy content as well as its budget implications.

COMMUNICATIONS

Minority Ownership: We are completing work on a package of steps to increase minority ownership of radio and TV outlets and will have a report to you shortly.

Reorganization: We have resolved most of the interagency disputes over the distribution of the functions of the Office of Telecommunications Policy but are still mediating between Defense and Commerce on some national security functions.

ENERGY

Options Memo on Oil Imports: Jim Schlesinger may be speaking with you on this. We will review his suggestions.

Analysis of Balance of Payments Memo: Memo to you today.

*discuss
Wed.*

NEA: Working daily on legislative strategy with Secretary Schlesinger, Frank Moore, Hamilton and the Vice President.

Energy Impacts: We are working with the Department of Energy, OMB and Jack Watson's staff on an interagency review of federal programs to assist communities facing demands that result from energy development.

Nuclear Licensing Reform Initiative: Initiative is still in interagency review.

HUMAN RESOURCES

Social Security: We have organized our strategy for the conference committee on the social security financing bill. HEW will be taking the lead on all the strictly social security matters as outlined in the chart we have provided for you. Treasury will be taking the lead on the tuition tax credit. VA will take the lead on the veterans pension issue (the bill proposes to ignore social security increases in calculating the needs based veterans pension at a cost which grows to \$521 million per year by 1983.)

*Let's do all we
can to hold down
costs -*

Welfare Reform: We are meeting with the Department of Labor and HEW people to orchestrate our efforts in the mark-up of the welfare reform bill in the House special subcommittee. There has been considerable criticism of the jobs program, in part arising from a desire by some to increase the wages. More important is a fear that these jobs will eliminate the current CETA Title VI jobs. Once our decision is made concerning these counter-cyclical jobs it should improve the reception for the jobs segment of welfare reform. In any case we are holding fast on the wage level.

Good

OPENNESS AND INTEGRITY IN GOVERNMENT

Executive Order on Logging: The Justice draft is now being reevaluated in light of agency comments. A decision memo will be in to you soon.

Revision of Security Classification System: We will have a report in to you on the major issues by early December.

Lobby Law Reform: House mark-up and Senate hearings will be held in January. We continue to work on policy amendments and legislative strategy with Frank's staff and an expanded interagency task force and push for a strong bill. I should note that the key bills before Congress only require lobbyists to report money spent lobbying for a group of issues and do not specify money spent for a particular issue. We will work for more specificity, but administrative and First Amendment problems exist.

MISCELLANEOUS

Congressional Veto Message: We continue to work with Bob Lipshutz and Justice on a message to be submitted just before congressional adjournment.

Executive Committee: I am working with the Vice President and members of the Executive Committee on the agenda for next year.

Census 1980: Memo is on its way to you.

Budget: We continue to work closely with OMB on policy/legislative implications of budget options and decisions.

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for Preservation Purposes**

2:30 meeting w/ water
projects supporters 11/21/77

THE WHITE HOUSE
WASHINGTON

Deauthorization
Corps - 647 projects
Many violate law/policy

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for Preservation Purposes

21 criteria

- a) Comply w/ law
- b) Project assumptions
(benefit/cost ratios)

Sources of data - biased
Xportation - DOT vs C of Eng
H₂O quality - EPA vs "
Wildlife USEFWS vs "

Justice defends TVA vs DoI
(Tellico)

SCS > 1100 projects - wetlands
7179 # 11M → 25M
PR credit re H₂O projects
User fees - bridges

THE WHITE HOUSE
WASHINGTON

*Analysis of benefits
Personnel appointments
Suguehama, Ohio,
Miss R. Basin' appts.*

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COALITION FOR WATER PROJECT REVIEW

1000 Vermont Avenue, N.W. • Washington, D.C. 20005 • (202) 638-3396

PROPOSALS FOR PRESIDENTIAL ACTION

American Forestry Association*
American League of Anglers
American Rivers Conservation Council
Citizens Committee on Natural Resources
Coalition on American Rivers
Defenders of Wildlife
Environment Forum*
Environmental Action
Environmental Defense Fund
Environmental Policy Center
Environmentalists for
Full Employment
Friends of the Earth
Fund for Animals
Izaak Walton League of America*
League of Conservation Voters
National Audubon Society
National Wildlife Federation
Natural Resources Defense Council
Rachel Carson Trust*
Sierra Club
Sport Fishing Institute*
The Wilderness Society*
Wildlife Management Institute*
The Wildlife Society*

John Burdick,
Coordinator

*Associated for information
exchange; excluding legis-
lative activity.

1. Institute a new review for authorized projects based upon (1) strict application of present law and policies, and (2) review by agencies expert in these laws and policies.
2. Direct Justice Department review of policies for defending construction agencies in litigation.
3. Reduce the Soil Conservation Service small watershed project construction budget to \$25 million in FY 1979 pending thorough review and revision of stream channelization policies.
4. Appoint an Assistant Secretary of the Army for Civil Works, and upgrade quality of commissioners on the River Basin Commissions and the International Joint Commission.
5. Zero budget water projects on which Presidential recommendations have not been met, and additional projects with unacceptable environmental, social, and economic difficulties.
6. Emphasize environmental and social problems of water development as well as economic costs, in a forceful media attack on present practices.
7. Strengthen the capability of the U.S. Fish and Wildlife Service to conserve water resources by supporting amendments to the Fish and Wildlife Coordination Act along the lines of H.R. 8161 and increasing the Service's budget.
8. Require bank chartering agencies to fully implement your Executive Order on Flood Plain Management, filling in gaps in present legislation.
9. Seek prompt de-authorization of inactive water projects.
10. The excess land laws, administered by the Bureau of Reclamation, should be strictly enforced.

COMPARISON OF SOCIAL SECURITY PROPOSALS OF THE ADMINISTRATION,
SENATE, AND HOUSE AND ADMINISTRATION CONFERENCE OBJECTIVES

<u>Provision</u>	<u>Administration</u>	<u>Senate Bill</u>	<u>House Bill</u>	<u>Administration Objective-- Preferred Outcome of Conference</u>
I. Financing				
* A. General Revenues	Countercyclical (when employment over 6%) \$14.1 billion for HI and OASDI (based on Okun's Law, for 1975-78)	General revenues are provided to make up for the tax loss resulting from provision for employer tax relief in certain cases--see F. below.	Standby loan authority when OASI or DI fund at end of year is less than 25% of expenditures in the year	Support House.
* B. Employer Wage Base	3-step elimination	\$50,000 for 1979-84	4-step increase to 91% of total payroll in covered employment	Negotiate changes, as follows:
(present law auto-matics)	1978 \$17,700	\$75,000 for 1985 and held constant until employee base catches up (projected to occur in about 2002)	1978 \$19,900	1978 \$17,700
1978 \$17,700	1979 23,400		1979 22,900	1979 23,400
1979 18,900	1980 37,500		1980 25,900	1980 37,500
1980 20,400	1981 (eliminated)		1981 29,700	1981-84 50,000
1981 21,900				1985 75,000
				Hold \$75,000 level constant until employee base catches up.
				This requires that Conferees be asked to accept first three steps in the Administration's proposal, shifting to the \$50,000 and \$75,000 levels proposed by the Senate and also accepting the Senate concept that the employee wage base will eventually catch up with the employer wage base.
				Note: Employee wage base and/or tax rate adjustments will have to also be negotiated because this compromise will produce slightly less revenue than produced by either the House or Senate bill.

* Indicates key provision.

Provision	Administration	Senate Bill	House Bill	Administration Objective-- Preferred Outcome of Conference
* C. Employee Wage Base (present law--same as employer)	\$600 step increases in 1979, 1981, 1983, 1985: 1978 \$17,700 1979 19,500 1980 21,000 1981 23,100 1982 24,600 1983 26,700 1984 28,200 1985 30,300	Same as Administration	Same as employer base (above)	Support Senate (adjusted as necessary to accommodate employer wage base compromise described above).
* D. OASDI Tax Rate for the Self-Employed	1-1/2 times employee rate, effective 1979	1-1/2 times employee rate, effective 1981	Same as Senate	Not in Conference, House and Senate are the same.
* E. Tax Rates. (A comparison table, also showing tax rates is attached.)	(See table)	(See table)	(See table)	Support House. (Aim for objective of no increases beyond present law before 1981.)
* F. Employer social security tax liabil- ity for State and local employers and tax exempt nonprofit organizations	Same as for all other employers	Social security employer tax liability for States, local- ities, and nonprofit organi- zations for 1979 and after would be equal to 90% of the employer liability for other employers under the bill, but not less than the liabil- ity for 1979 under present law, or (if lower) 100% of the liability under the bill.	Same as Administration	Oppose Senate provision.

* Indicates key provision.

Provision	Administration	Senate Bill	House Bill	Administration Objective-- Preferred Outcome of Conference
* II. Decoupling				
* A. Benefit Level	1979 (implementation) and constant with wages thereafter	1976 levels (2-1/2% reduction from 1979 levels) and constant with wages thereafter	5% reduction from 1979 levels and constant with wages thereafter	Support House. (Least costly.)
B. Transition	5 year guarantee 1979 table for retirement cases	Same as Administration	10 year guarantee 1979 table for retirement cases	Support Senate.
C. Method of Indexing Wages and Formula	To average wages	Same as Administration	Same as Administration	Not in Conference, House and Senate are the same.
D. Indexing Point	Entitlement (retirement)	Eligibility (age 62)	Eligibility (age 62)	Not in Conference, House and Senate are the same.
E. Computation Point	Same as present law (expands to 35 years for workers age 65 in 1994 and after)	Same as Administration	Same as Administration	Not in Conference, House and Senate are the same.
F. Minimum Benefit	Same as present law (rise with prices for both workers and beneficiaries)	Same as House	Frozen at January 1979 level (about \$121) and increase with prices only after entitlement.	Not in Conference, House and Senate are the same.
G. Special Minimum Benefit	No provision	No provision	Special minimum-computation dollar factor increased from \$9 to \$11.50 and updated to prices for current and future beneficiaries.	Oppose House provision.

* Indicates key provision.

Provision	Administration	Senate Bill	House Bill	Administration Objective-- Preferred Outcome of Conference
H. Delayed Retirement Credit	No provision	No increase; but apply worker's credit to widow's (or widower's) benefit	Increases from 1% to 3% for people reaching 62 after 1978	Support House. (An appropriate provision in light of joint House-Senate decision on indexing point.) Accept Senate provision dealing with widow-widower benefit. (Low cost.)
I. Maximum Family Benefit	Approximates present law relationship between maximum family benefit and PIA	Same as Administration	Same as Administration	Not in Conference, House and Senate are the same.
* J. Semi-annual Cost-of-Living Benefit Increases	No provision	Provide for semi-annual cost-of-living increases in benefits whenever the CPI has increased by at least 4 percent over specified 6-month period. If no semi-annual increase were triggered, the present law provision (3-percent trigger) would take over.	No provision	Oppose Senate provision.
III. Coverage				
* A. Universal (including Federal employees)	No provision (minor proposals in simplification package)	No provision. (Nelson subcommittee plans to hold hearings later this year.)	Requires joint OMB, CSC, Treasury and HEW studies of mandatory coverage for Federal and State and local employees. Reports with recommendations due to President and Congress within 2 years of enactment.	Accept House provision calling for a special study of universal coverage; however, attempt to reach an understanding to the effect that HEW will lead the study, supported by CSC and other agencies.

* Indicates key provision.

Provision	Administration	Senate Bill	House Bill	Administration Objective-- Preferred Outcome of Conference
B. Totalization	Authorizes international agreements to become effective in 60 days after submittal to Congress, if not rejected by both Houses	Same as House except: Either House could reject; agreements could not be inconsistent with purposes of title II; and such agreements would be transmitted to Congress with report on cost and individuals affected.	Similar to Administration, except 90-day period provided	Support House.
C. Limited Partnership	Excludes from coverage earnings or losses which are received by a limited partner	No provision	Same as Administration	Support House.
D. Employer Tax on Tips	Requires full employer social security taxes on covered tips	No provision	Requires employers to pay social security employer taxes on any tips deemed to be wages under the Fair Labor Standards Act	Support House.
E. Coverage of Clergymen	No provision	No provision	Permits clergymen who had earlier elected not to be covered by social security to revoke that decision.	Support House.
F. Illinois Policemen and Firemen	No provision	No provision	Validates earnings erroneously reported in past for Illinois policemen and firemen.	Oppose House.
G. Mississippi Policemen and Firemen	No provision	Same as House	Adds Mississippi to list of States which may extend social security coverage to policemen and firemen covered under a State or local retirement system.	Not in Conference, House and Senate are the same.

Provision	Administration	Senate Bill	House Bill	Administration Objective-- Preferred Outcome of Conference
H. Coverage under Divided Retirement System Procedure in New Jersey	No provision	Same as House	Adds New Jersey to list of States which may extend social security coverage under divided retirement system procedure.	Not in Conference, House and Senate are the same.
I. Wisconsin Retirement System	No provision	No provision	Provides that special coverage provisions applicable to State and local employees covered under Wisconsin Retirement Fund will apply to any successor system of that Fund	Support House.
J. Nonprofit Organizations	No provision	Would forgive unpaid social security taxes for organizations that were deemed to have filed a certificate under P.L. 94-563 but that stopped paying the taxes before enactment of the law (10/19/76) and did not receive a refund for the taxes paid; would permit employees to individually elect retroactive coverage providing the taxes were paid; would extend from April 19, 1977, to December 31, 1977, the date by which organizations that received a tax refund may file a waiver certificate; would exclude from P.L. 94-563 organizations which applied for but did not receive a tax exemption until after that law was enacted.	None in H.R. 9346; H.R. 8490 as reported by Ways and Means Committee has a provision similar to the Senate provision.	These two provisions are essentially the same in their intent and effect--accept either.

Provision	Administration	Senate Bill	House Bill	Administration Objective-- Preferred Outcome of Conference
IV. Men and Women				
* A. Goldfarb	3-year dependency test	Offset for public pensions based on noncovered work and requires 6-month study	Requires 6-month study	Support House.
B. Minor Discriminatory Provisions	9 "noncontroversial" proposals	No provision	Similar to Administration	Support House.
C. Other	No provision	No provision	(1) Reduce marriage requirement from 20 to 5 years for aged divorced spouses and surviving spouses (2) marriage and remarriage not to affect entitlement	Oppose House.
* V. Retirement Test				
* A. Exempt Amount	No provision	Increase to \$4,500 in 1978 and \$6,000 in 1979 (automatic thereafter). Effective for 1982, reduce age at which test no longer applies from 72 to 70	For beneficiaries age 65 and over: increase to \$4,000 in 1978; \$4,500 in 1979; \$5,000 in 1980; \$5,500 in 1981; and eliminate in 1982. For beneficiaries under age 65, present law increases would apply.	Negotiate compromise, as follows: Increase exempt amount to \$4,000 in 1978 4,500 in 1979 These levels would be applicable only to beneficiaries age 65 and over. (Otherwise, present law would prevail.) Also, accept Senate provision reducing from age 72 to 70 the age at which retirement test would no longer apply (as of 1980). This compromise would follow the House increases through 1980, would accept their concept of beneficiaries age 65 and older, but would accept Senate provision reducing from 72 to 70 the age at which no test applies.

Provision	Administration	Senate Bill	House Bill	Administration Objective-- Preferred Outcome of Conference
B. Monthly Measure	FY 78 Budget proposal to eliminate (except in year of initial entitlement)	Same as Administration	Same as Administration	Not in Conference, House and Senate are the same.
C. Foreign Work Test	No provision	No provision	Increase from 7 to 9 days in 1978 and from 9 to 12 days in 1979 the number of days of any amount of work that would result in loss of benefits	Oppose House provision
VI. Annual Reporting	Administration Bill H.R. 8057	No provision	Same as Administration	Support House
VII. Miscellaneous				
A. Actuarial Reduction of Benefit Increases	Applies original actuarial reduction factor to benefit increases	Same as Administration	Same as Administration	Not in Conference, House and Senate are the same.
B. Retroactive Reduced Benefit.	FY 78 Budget proposal	Same as Administration (Effective upon enactment)	Same as Administration (Effective for applications filed after 12/77)	Effective date is all that is at issue. Support House date.
C. Early Payment of Checks	No provision	Pay SS and SSI benefits earlier when regular date is on a weekend or legal holiday	Similar to Senate bill but contains a waiver-of-recovery provision	Support House (providing Treasury finds no administrative impediment).
D. Railroad Tier II	Railroad employer tax for Tier II would be levied on total payroll	Railroad employer tax would apply to the base which would be in effect under present law	Railroad employer tax would not apply to higher bases which are the same for employees and employers but would apply to bases which would be in effect under present law.	Support House.

Provision	Administration	Senate Bill	House Bill	Administration Objective-- Preferred Outcome of Conference
E. Affiliated Corporations	No provision	Provides that, where an employee is concurrently employed by two or more corporations and such corporations remunerate such employee for his or her services through a common paymaster, for purposes of determining employer social security and unemployment insurance tax liability, such corporations would be treated as if they were a single employer.	No provision	Support Senate.
F. CPI Program for Aged	No provision	Requires 6-month study by DOL, in consultation with HEW	No provision	Oppose Senate provision.
* G. National Commission on Social Security	No provision	No provision	Provides National Commission on Social Security, jointly appointed by President and Congress, to make 2-year study of social security program.	Oppose House provision on grounds that existing statutory Social Security Advisory Council and Presidential Commission on Pension Reform have already been assigned the study objectives called for in the House provision.
H. Advisory Council on Social Security	No provision	Delay reporting date from 1/1/79 to 10/1/79	No provision	Support Senate.
* I. Disability blind provisions	No provision	Would pay benefits to blind on basis of 6 quarters of coverage and despite substantial work	No provision	Oppose Senate provision.
J. Workmen's Compensation Offset	No provision	Would eliminate the current provision whereby disability benefits are offset if certain amounts of workmen's compensation are also received.	No provision	Oppose Senate provision.

* Indicates how provision

COMPARISON OF AFDC PROPOSALS OF THE ADMINISTRATION,
SENATE, AND HOUSE AND ADMINISTRATION CONFERENCE OBJECTIVES

<u>Provision</u>	<u>Administration</u>	<u>Senate Bill</u>	<u>House Bill</u>	<u>Administration Objective-- Preferred Outcome of Conference</u>
Access to wage information for AFDC verification	No provision	Provides authority for States to access wage information in SSA and State employment security agency records where needed for AFDC program administration. States are required to request and use information as of 10/1/79.	No provision	Accept Senate provision.
AFDC work expense disregard	Require States to disregard child care expense and 15-25 percent of total earned income. Also disregard first \$30 of earned income plus one-third of the remainder after deduction of child care expense and the standardized work expense disregard. (Administration proposal transmitted to the Congress in May 1977.)	Disregard first \$60 of earned income plus one-third of next \$300 and one-fifth of remainder after deducting child care expenses	No provision	Attempt to negotiate compromise based on the Administration's own provision to adjust AFDC work expense disregard.
* Fiscal relief for State and local welfare costs	No provision	Provide a total of \$374 million to State and political subdivisions as fiscal relief for the costs of welfare.	No provision	Accept Senate provision.

<u>Provision</u>	<u>Administration</u>	<u>Senate Bill</u>	<u>House Bill</u>	<u>Administration Objective-- Preferred Outcome of Conference</u>
Quality control and incentives to reduce errors	No provision	Provides fiscal incentives for States to reduce dollar error rates to less than 4 percent.	No provision	Accept Senate provision.
State demonstration projects related to employment of welfare recipients	No provision	Broadens the provisions of present law relating to State demonstration projects, particularly with regard to projects of employment for AFDC recipients. States could request waiver of certain program requirements, and such waiver would be considered approved unless the Secretary disapproved it within 45 days.	No provision	Accept Senate provision.

ATTACHMENT

November 8, 1977

COMPARISON OF TAX RATES
(Combined OASDHI)

	<u>1977</u> <u>Base</u>	<u>Present</u> <u>Law</u>	<u>Administration</u> <u>Proposal</u>	<u>House</u> <u>Bill</u>	<u>Senate</u> <u>Bill</u>	<u>Higher, House</u> <u>or Senate</u>
1978.....	5.85%	6.05%	6.05%	6.05%	6.05%	<u>Same</u>
1979.....	--	6.05	6.05	6.05	6.135	Senate
1980.....	--	6.05	6.05	6.05	6.135	Senate
1981.....	--	6.30	6.30	6.55	6.60	Senate
1982.....	--	6.30	6.30	6.65	6.65	<u>Same</u>
1983.....	--	6.30	6.30	6.65	6.65	<u>Same</u>
1984.....	--	6.30	6.30	6.65	6.65	<u>Same</u>
1985.....	--	6.30	6.55	6.95	7.05	Senate
1986-1989.....	--	6.45	6.70	7.10	7.10	<u>Same</u>
1990-1994.....	--	6.45	7.45	7.65	7.55	<u>House</u>
1995-2000.....	--	6.45	7.45	7.65	8.10	Senate
2001-2010.....	--	6.45	7.45	7.65	8.70	Senate
2011 and after...	--	7.45	7.45	7.65	9.20	Senate


THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

November 14, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: Bob Lipshutz 

SUBJECT: Final Report from the 1977 Inaugural
Committee and Decision for Disposition
of Surplus Funds

Attached is the complete, final report to you from the 1977 Inaugural Committee, which Richard Harden and I both have reviewed.

I am sure that you share our opinion that it was a very successful event and that the Committee is due considerable commendation.

The Committee has a cash surplus of about \$750,000, and I believe that it is now appropriate to make a final decision concerning the disposition of these funds.

Although the legal authority for disposition of these funds is in the hands of the Committee itself, your judgement is of course quite essential.

Attached is a "Presidential Decision Paper" with four recommendations, each of which both Richard Harden and I propose that you approve. We struck one phrase in recommendation No. 4, but Bardyl Tirana agreed with this modification as well.

If you approve, the Committee will proceed to carry out these decisions. I will monitor carefully the establishment of the perpetual trust fund set out in recommendation No. 2 and keep you advised. I also will review with you the basic terms of this trust fund, as well as the selection of trustees, before it is finally established.

1977 Inaugural Committee



Electrostatic Copy Made
for Preservation Purposes

PRESIDENTIAL DECISION PAPER

The following decisions are made pursuant to the Final Report of the 1977 Inaugural Committee, dated September 22, 1977.

	<u>Yes</u>	<u>No</u>	<u>Comments</u>
1. About \$100,000 to \$150,000 of the committee's surplus of \$750,000 should be allocated to the 1981 Inauguration.	<u>✓</u>	<u> </u>	
2. The balance of the surplus should be placed in a trust to fund public events for <u>future inaugurations</u> .	<u>✓</u>	<u> </u>	<i>do we want it This restrictive?</i>
3. The committee may acquire and distribute unsold Inaugural Books to government agencies, free or at a modest fee, for official use.	<u>✓</u>	<u> </u>	
4. The committee may request that the National Endowment of the Arts spend xx xxxxxxxxxxxxxxxxxxxx the profits from the record of the inaugural gala on the 1981 or future inaugurations.	<u>✓</u>	<u> </u>	
<i>Assess forme:</i>			
5. Use needed funds to keep Inaugural list up- dated, perhaps annually.	} Cost?		<i>J. Carter</i>

THE WHITE HOUSE

WASHINGTON

Date: November 15, 1977

MEMORANDUM

FOR ACTION:

The First Lady
Hamilton Jordan *nc*
Jody Powell *nc*

FOR INFORMATION:

The Vice President

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Lipshutz memo dated 11/14/77 re Final Report from the
1977 Inaugural Committee and Decision for Disposition of
Surplus Funds

**YOUR RESPONSE MUST BE DELIVERED
TO THE STAFF SECRETARY BY:**

TIME: 12:00 Noon

DAY: Thursday

DATE: November 17, 1977

ACTION REQUESTED:

☒ Your comments

Other:

STAFF RESPONSE:

☐ I concur.

☐ No comment.

Please note other comments below:

*B:4 -
did you call
Modeline?
11/18 - she will call back by noon.
needs 11/18 memo - etc
me [signature]*

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately. (Telephone, 7052)

Date: November 15, 1977

FOR ACTION:

The First Lady
Hamilton Jordan
Jody Powell

FOR INFORMATION:

The Vice President

FROM: Rick Hutcheson, Staff Secretary

SUBJECT:

Lipshutz memo dated 11/14/77 re Final Report from
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Surplus Funds

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TO THE STAFF SECRETARY BY:

TIME: 12:00 Noon

DAY: ThursdayDATE: November 17, 1977

ACTION REQUESTED:

☒ Your comments

Other:

STAFF RESPONSE:

☐ I concur.☐ No comment.

Please note other comments below:

*I approve the recommendations,
although I would like to see the
inaugural invitation list purged each
year. Could some of this money be
used to hire people for this program?*

Electrostatic Copy Made
for Preservation Purposes


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If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately. (Telephone, 7052)

Date: November 15, 1977

Hutcherson MEMORANDUM

FOR ACTION:

The First Lady
Hamilton Jordan
Jody Powell


FOR INFORMATION:

The Vice President

FROM: Rick Hutcheson, Staff Secretary

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TIME: 12:00 Noon

DAY: Thursday

DATE: November 17, 1977

ACTION REQUESTED:

☒ Your comments

Other:

STAFF RESPONSE:

☐ I concur.*Please note other comments below:*☒ No comment.**PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.**

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately. (Telephone, 7052)

6/ **Date:** November 15, 1977**MEMORANDUM****FOR ACTION:**

The First Lady
Hamilton Jordan
~~Jody Powell~~

FOR INFORMATION:

The Vice President

FROM: Rick Hutcheson, Staff Secretary**SUBJECT:**

Lipshutz memo dated 11/14/77 re Final Report from t
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TO THE STAFF SECRETARY BY:**

TIME: 12:00 Noon

DAY: Thursday

DATE: November 17, 1977

ACTION REQUESTED:

☒ Your comments

Other:

STAFF RESPONSE:

☐ I concur.

☒ No comment.

Please note other comments below:

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately. (Telephone, 7052)

THE WHITE HOUSE
WASHINGTON

November 21, 1977

Bob Lipshutz

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson
cc: The First Lady

RE: INAUGURAL COMMITTEE AND
DECISION FOR DISPOSITION OF
SURPLUS FUNDS

THE WHITE HOUSE
WASHINGTON

11/21/77

Mr. President:

Hamilton and Jody have no
comment.

The First Lady says: "I approve
the recommendations, although I
would like to see the inaugural
invitation list purged each
year. Could some of this money
be used to hire people for
this purpose?"

Rick

THE WHITE HOUSE

WASHINGTON

11-21-77

To Vicki & Betsy

This was one of the
most outstanding accom-
plishments I've ever
seen - under very
difficult circumstances.
I'm proud & grateful.

Jimmy

THE WHITE HOUSE

WASHINGTON

November 18, 1977

MEETING WITH MRS. ANNIE DUITSCHER

Monday, November 21, 1977

11:55 a.m. (5 minutes)

Oval Office

From: Frank Moore

I. PURPOSE

To greet and be photographed with Mrs. Duitscher.

II. BACKGROUND, PARTICIPANTS & PRESS PLAN

- A. Background: Annie Duitscher, who is 106 years old, vowed to her father that she would shake the hand of a President before she died. Her father had once held her back from shaking hands with President McKinley because she was just "ordinary folk."
- B. Participants: The President
Senator Charles McC. Mathias (R-Md)
Ann Mathias
Senator Paul Sarbanes (D-Md)
Christine Sarbanes
Mrs. Annie Duitscher
Elmer Duitscher (Mrs. Duitscher's son)
Louise Duitscher (daughter-in-law)
Ann E. McDonough (niece)
Frank Moore
Dan Tate

C. Press Plan: White House Photo.

III. TALKING POINTS

Routine courtesy.